Financial Times May 9, 1975

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NEWS SUMMARY

GENERAL

Unquiet end for Saigon

The Communist takeover of Saigon was not entirely peaceful, reports our correspondent Stewart Dalby, in his first dispatch from what is now Ho Chi Minh City.

His diary records that the first tanks arrived a little after midday to a quiet reception. Later hard Chinese palace guards launched a fierce but futile counter-attack. By 4.30 p.m. the battle was over and the city began to calm down.

Almost all the 10,000 troops were North Vietnamese regulars, exposing the fiction that it was the PRG and its military arm the Vietcong who had overrun the south.

After all the set-backs—the failure of the Tet offensive in 1968, and again in 1972—the Communists had, "finally, irrevocably smashed," the partly American-created hybrid of South Vietnam.

Fragile peace moves in Laos

A peacemaking team is trying to dissuade Communist Pathet Lao forces from advancing on the capital of Laos.

South Korea has been assured by President Ford of the continuing presence of U.S. troops "while he is in the White House."

The last of the foreign refugees from Cambodia arrived in Thailand and the flood of South Vietnamese into the Philippines is nearing its end. Back Page

Refugees who have some previous connection or tie with the U.K. are to be allowed into Britain, the Home Secretary announced.

Provo threat to Convention

As the Ulster Convention held its first formal meeting, the Provisional IRA issued a warning it would not tolerate "under any guise" the re-establishment of a Northern Ireland administration based on a Protestant Loyalist majority. Page 9

No parole

The Parole Board has recommended that the Shrewsbury two building pickets are not released from prison next week when they first become eligible for parole. MPs were told that Home Secretary Mr. Roy Jenkins had no power to overrule the decision. But their case is to be reviewed "in due course."

Stonehouse report

A Commons select committee examining the John Stonehouse case is to report to-day and not next week as originally planned. It has already recommended his expulsion if he does not resign as an MP.

Party funds chief

Lord Houghton of Sowerby—ex-Minister and former chairman of the Parliamentary Labour Party—is to head the committee considering whether political parties should get public cash to help them operate outside Parliament.

Briefly . . .

Referendum Act, authorising the EEC membership poll on June 5, has received Royal Assent.

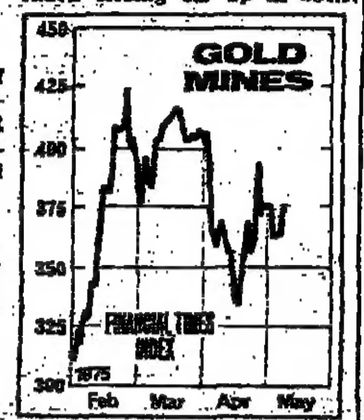
Opposition leader Mrs. Margaret Thatcher flew to Paris yesterday for a three-day official visit.

Police are interviewing more than 100 "possible suspects" in the hunt for the Cambridge rapist, following confidential phone calls to WPCs.

BUSINESS

Equities advance: Gold index up 11.1

● EQUITIES made fresh headway, with the FT 30-share Index closing 8.2 up at 331.1, making a two-day gain of 20 points. Gold Mines Index was up 11.1 at 375.1.



● GILTS—Longs gains ranged to one point, with impetus from suspected buying on behalf of insurance institutions. Mediums and shorts rose by up to ½. Government Securities Index was 0.58 higher at 57.73.

● STERLING'S weighted depreciation was a worst-ever 23.8 per cent. (23.5). Against the dollar, Sterling was up 30 points at \$2.3415. Dollar's weighted average was 7.02 (6.87).

● GOLD was up \$¾ at \$166¾.

● WALL STREET was up 4.06 at 850.50

● CHINA has decided officially to recognise the EEC, and has reacted positively to an offer of a trade agreement. Page 6

● SAUDI ARABIA and a group of leading international banks are setting up a big London-based bank. Back Page

● STANDARD OIL of Ohio BP's U.S. sister-company, would have to bear higher costs in developing its Alaskan North Slope oil reserves under a Bill approved by the State's House of Representatives.

Car imports 38% of market

● CAR IMPORTS took 38.4 per cent. of the U.K. new-car market last month, figures published to-day show. Back Page

● BUILDING SOCIETIES reacted sympathetically to Environment Secretary Anthony Crosland's request to step up advances. Back Page

● CROWN AGENTS' sterling deposits rose to £357m. (£191m.) last year, with non-sterling deposits up from the equivalent of £121m. to £221m. Page 6

● BRITAIN'S domestic electrical appliance industry will suffer further redundancies because of 25 per cent. VAT and the economic situation, Sir Jules Thorn, Thorn-Electrical Industries chairman, forecast. Page 8

● EPTU general secretary Frank Chapple called for the TUC to tighten its wage guidelines with a specific pay norm and exercise more control over union pay claims. Page 10

● NUM national executive decided to seek an early meeting with the NCB, when they intend to re-submit their claim for a threshold agreement. Page 10

● LUBOK INVESTMENTS 1974 expansion resulted in shareholders' funds increasing from £771,000 to £2.26m. Page 23 and Lex

● ROBERT STIGWOOD Group may shortly receive a £4.6m. bid by Warner Communications Inc. of the U.S. Page 22

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

Treasury 10pc 1979	£97⅛	+ 7/16
Treasury 9½pc 1999	£88¾	+ 1
Assd. Newspapers	104	+ 8
Babcock and Wilcox	99	+ 4
...ham	273	+ 9
...obell	133	+ 11
...r Ryder	210	+ 10
...ons	60	+ 8
...	170	+ 7
...r Inds.	118	+ 13
...wed	91	+ 6
...den	83	+ 5
...	248	+ 7
...ho	145	+ 6
...s Inds.	125	+ 7
Marks and Spencer	235	+ 10
...ey	81	+ 4
...in-Black	95	+ 8
Pilkington	192	+ 9
Prudential Assurance	125	+ 5
Racal Elect.	245	+ 15
Redland	84	+ 8
Reed Intnl.	273	+ 11
Tate and Lyle	265	+ 9
Tunnel Cement "B"	127	+ 7
Vickers	146	+ 7
Wedgwood	159	+ 10
Wimpey (G.)	132	+ 8
BP	428	+ 18
Shell Transport	298	+ 12
Charter Cons.	186	+ 11
Grootvlei	295	+ 15
Kinross	680	+ 60
Sabina Inds.	118	+ 9
Selection Trust	635	+ 25
Tanganyika	118	+ 30
Winkelhaak	£12¼	+ ¼

FALLS

Hambros Bank	183	− 17
Sandeman (G.)	45	− 10
Silvermines	44	− 6

(FT stock indices and FT-Actuaries summary Page 33.)

Chrysler peace bid with profit sharing plan for workers

BY TERRY DODSWORTH and ROY ROGERS

A revolutionary deal including worker participation, profit-sharing and possibly some Government involvement was offered yesterday to Chrysler U.K.'s 27,000 employees by management eager to head off potentially disastrous industrial action.

This "bold new programme" was put to shop stewards—some of whom were flown to Coventry by executive jet—by Mr. Don Lander, managing director.

But last night it seemed unlikely that it would avert unofficial strike action threatened by 4,000 men at the company's key Stoke, Coventry, engine plant unless they receive a "substantial" pay offer by this evening.

Local union officials welcomed the proposals and urged that the strike threat be lifted but Mr. Ray Wild, the Amalgamated Union of Engineering Workers convener at the plant, said that no mass meeting would be called to consider lifting the threat until a pay offer is made.

Mr. Lander, in outlining the proposals—which will no doubt be received sympathetically by Mr. Anthony Wedgwood Benn, the Minister responsible for the motor industry—stressed to shop stewards that they were conditional upon a solution being found to the company's recurring labour problems.

Chrysler took pains to underline that its plans—revealed simultaneously in the U.S. parent company's home town of Detroit—had been under way for some time, partly in anticipation of the Industry Bill, and that they had been brought forward because of the strike threat.

The company's acute cash problems, in both Britain and the U.S., have made it a constant target of rumours this year.

It has constantly had to deny that it is seeking Government aid or has been offered any, but its £17.7m. loss last year, combined with severe losses in the U.S., have raised doubts about the scope of its future operations.

Last night's statement will raise speculation once again that it is open to Government offers. It says: "The unions were informed that the company would discuss this programme with the Government and was completely flexible in working with the Government to help the company overcome its present problems and provide for its full growth potential."

Profits

With British Leyland now receiving State aid, and Chrysler sales showing few signs of life in spite of its costly rebate scheme, the company is in a hard-pressed competitive position.

It is known to have recently approached Finance for Industry—the lending institution backed by the big banks—for a loan to finance exports to Iran.

Key points in the plan, which Mr. Lander pointed out was not in lieu of competitive pay rates for Chrysler workers, include setting aside a portion of the company's profits each year to be paid to employees either in cash or shares (they would not, however, be expected to share losses) and the setting up of joint management-worker committees at plant and company level to discuss "all aspects of the company's operations and plans."

As a first step in this new policy of communication, Mr. Lander told stewards that the company's plans included new car and commercial vehicle models, the manufacture of which would not be duplicated in European Chrysler plants. This move should go some way to alleviating U.K. Chrysler workers' anxieties following the lack of new models since the Avenger was launched in 1970.

There has been some speculation recently that plans for a facelift of the Avenger had been put off indefinitely. The implication of Mr. Lander's statement is that this could be revived along with products for Chrysler's increasingly important market in Iran.

A major worry of the U.K.

Continued on Back Page

Healey warns on wages as £ falls

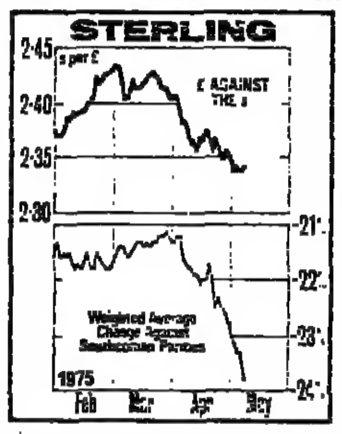
BY MICHAEL BLANDEN

MR. DENIS HEALEY, Chancellor of the Exchequer, yesterday gave another warning that excessive wage increases would be countered by higher taxes and cuts in public spending.

At the same time, he repeated last week's comment that he did not wish to see any further depreciation in the value of sterling.

Mr. Healey's statement came as the pound dropped again to new lows on the foreign exchange market. Its average depreciation from December 1971 levels fell to 23.8 per cent., a decline of 0.3 per cent. from the previous day's level.

The fall took place in very thin markets, with the main Continental centres closed for Ascension Day, and dealers argued that the movements in the sterling and dollar rates were not necessarily very representative. Nevertheless, the steady decline which has been evident for over two weeks continued, and has brought the effective sterling rate down by around 1.75 per cent. since last month's Budget.



A major feature of the exchange market recently has been the strength of the French franc. Yesterday the franc jumped again, with its average appreciation from December, 1971, levels rising to 3.56 per cent. against 5.41 per cent. This underlines the sharp reversal of the franc's fortunes, since only last November it was showing a depreciation of over 4 per cent.

The dollar weakened yesterday, with sterling gaining 30 points at \$2.3415. The dollar's average depreciation widened from 6.87 per cent. to 7.02 per cent.

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£ in New York

—	May 8	Previous
Spot	\$2.3410-3420	\$2.3795-3405
1 month	1.25-1.17 dis	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

Benn plea to steel union on pay claim

BY CHRISTIAN TYLER, LABOUR STAFF

THE FIRST rumblings of industrial action by steelworkers protesting at the BSC's redundancy plans came yesterday as Mr. Anthony Wedgwood Benn, Industry Secretary, personally appealed to the biggest steel union to remember the social contract when lodging its pay claim to-day.

Mr. Wedgwood Benn made his plea in the course of an hour-long surprise visit to the London headquarters of the Iron and Steel Trades Confederation, which a few hours later went on to consider a proposed claim of 20-22 per cent., plus a new threshold arrangement.

Letter

The link between the current round of wage talks and the BSC's proposed 22,000 manning reduction is also set out in a letter to the steel unions from Sir Monty Finniston, BSC chairman.

This letter, dated April 24, says: "It seems to us quite incompatible with the measures outlined . . . that we should consider incurring any extra labour costs in the forthcoming wage negotiations."

Meanwhile grass-roots anger at the manner of Sir Monty's public announcement of the cuts has led Midlands steelworkers to seek the aid of east coast dockers in blacking iron ore and steel imports, hitting the Scunthorpe plant. Dockers, at Immingham on Humberside, members of the Transport and General Workers Union, have invited steelmen over for talks to-day.

Next Friday—shortly before steel unions meet the BSC—shop stewards will meet in Cardiff to plan "flying picket" sorties to sites in many parts of the country in the hope of getting support from workers in cutting off the flow of materials to the BSC's major plants.

Attempts will also be made to enlist the support of dockers at the main ports in order to black all steel-related imports to Britain.

Much of this action is being planned by workers at the small Shelton Bar plant, near Stoke, who only eight weeks ago won their three-year fight for a reprieve from closure. Now, they say, 2,000 of the 2,600 jobs are under the BSC axe.

Mr. Ted Smith, chairman of the all-union action committee that won the reprieve from Lord Beswick, Industry Minister, said of the BSC plan last night: "This is industrial war at its worst. We feel really sick at this insanity."

Mr. Phil Tomlinson, works convener, warned that either the BSC would have to introduce work-sharing between plants "or there'll be no industry." The unions were ready to hit all five major plants, he said.

Warning of the possible reaction at shop-floor level came yesterday from Mr. Bill Sirs, general secretary-elect of the ISTC. He said it would be extremely difficult for the union to contain the spontaneous reaction of members to proposals that would have "a disastrous effect on some communities."

Speaking after the meeting of his executive, addressed by Mr. Wedgwood Benn, Mr. Sirs said the Minister had pointed out that funds would not be available for claims that "went beyond what the Government would be prepared to accept."

But the minister had said wage negotiations were purely a matter between the corporation and the union. He would not interfere, but was interested in the overall situation. Mr. Sirs carried Mr. Wedgwood Benn's caution to the subsequent meeting of the union's negotiating committee.

In a further development, yesterday, Mrs. Judith Hart, chairman of the Labour Party industrial policy sub-committee, called an emergency meeting for Monday. This will discuss the BSC crisis with the aim of making a recommendation to the party's national executive committee.

BSC's planned 20,000 manpower reduction can be attributed to Britain's EEC membership, Labour MP Mr. Eric Heffer said. Page 8

Unions now preparing counter-proposals ahead of a meeting with the BSC on Monday week are expected to concentrate on a system of work-sharing which could involve reversing the flow of orders from the big, low-cost works back to small, high-cost plants. The union's aim is to spread the effects of the recession equally over the entire labour force without resorting to redundancies or abandonment of the guaranteed week.

It is not clear whether any *quid pro quo* will emerge from the wage negotiations, but the basis of a compromise was spelled out by the ISTC yesterday when it accepted that unnecessary overtime would have to be eliminated and there could be voluntary redundancies in some areas.

It will fight any suspension of the guaranteed week or "unfair" work sharing, and any closures or compulsory redundances.

Wilson ready to see CBI over Industry Bill

BY JOHN BOURNE, LOBBY EDITOR

THE GOVERNMENT'S decision to table a guillotine motion to end the committee stage of Mr. Anthony Wedgwood Benn's highly controversial Industry Bill by June 12, announced yesterday has given further ammunition to the CBI and the Conservatives for attacks on the Industry Secretary.

However, Mr. Edward Short, Leader of the House, made it clear to MPs that the Prime Minister would be willing to meet CBI leaders on their complaints about the legislation in time for the Government to make any justifiable amendments before the Bill left the Commons for the Lords.

He also said that the timetable motion imposing the guillotine would be "generous" and, contrary to some reports, it was not intended to complete the committee stage before the Whitsun recess.

Mrs. Margaret Thatcher, Opposition Leader, accused the Government of deciding to table the motion because the standing committee had just reached the sensitive section of the Bill on the disclosure of company information.

Mr. Michael Meacher Under-Secretary for Industry, "is going back on the promises given by the Prime Minister," she added. This was a reference to Mr. Wilson's statement some time ago that the Bill would follow the proposals of the White Paper, "The Regeneration of British Industry."

Two departures

Ministers now admit that the Bill contains two departures from the White Paper. One of these is on company information. Under the White Paper the Government proposed a reserve power to demand disclosure from companies signing planning agreements with the Government. However, the Bill separates this reserve power from "planning agreement companies" and applies it to all manufacturing companies, but not to those in other areas of business.

The guillotine motion, which will be debated in the Commons for three hours on Monday, is expected to be carried—mainly because the Conservatives will have 12 MPs attending the European Parliament and are unlikely to attract the support of the Nationalist parties.

The Liberals, however, will join them in opposing the motion. Mr. Richard Wainwright, the Liberal spokesman for industry, said yesterday: "For a Government which received only 28 per cent. of the votes of the electorate to curtail discussion at the most controversial part of a multiple Bill is a challenge to the rest of the electorate."

He added that the clauses on compulsory disclosure were fundamentally opposed to the terms of the White Paper. They were unlikely to be obeyed by companies if they became law

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Clearing bankers join FNFC

BY MARGARET REID

MR. MAURICE DENTON, at present a senior officer of National Westminster Bank, is to become joint managing director, with Mr. Pat Matthews, of First National Finance Corporation, the secondary banking group which has had some £300m. of support loans from the big banks.

This is a key move among the major Board and management changes at the company announced yesterday.

Viscount De L'Isle is retiring from the Board at the coming annual meeting and will be succeeded as chairman by Mr. John Glyn, now a deputy chairman. Mr. Richard Langdon, a present a director, is to become deputy chairman.

Sir Richard Pease, a vice-chairman of Barclays Bank, and Sir Michael Wilson, a vice-chairman and formerly chief general manager of Lloyds Bank, are also joining the Board.

The changes reflect the decision of the big banks—which, with the Bank of England, have heavily backed FNFC in the upheaval in the secondary banking sector over the past year—to continue their support loans, but take a closer hand in the company's management.

Shares of FNFC, whose future has been the subject of intensive discussions with the big banks for some weeks, added ½p to 7p, after 7½p, on yesterday's announcement, having risen by 2p on Wednesday. At the end of last month, they dipped to only 2½p on uncertainties about the outlook. Last year they stood at 42p and in 1972 touched a peak of 140p.

Next Tuesday, the group is issuing a circular disclosing its trading results for last year, which will show the impact of provisions against the substantial portfolio of loans to the troubled property sector.

Recent discussions with the top banks have been held against the background of a report by merchant bankers Kleinwort Benson, outlining a plan for FNFC's property lending side to be split off and passed to the big banks as security against the support loans.

It now appears that no such reconstruction is to take place and that the support loans are being maintained during the recovery period.

Mr. Matthews, who has played a central role in the development of the company—one of the most rapidly-growing secondary banks until the late-1973 upheaval in the sector—is retaining a senior management role. The new joint managing director, Mr. Denton, is at present deputy general manager of National Westminster Bank's Domestic Banking Division.

At the end of 1973, FNFC played a key part in the rescue moves for London and County Securities, whose troubles sparked off the crisis of confidence which caused deposits to flow out of secondary banks and prompted the big banks' £1.3bn. loan support operation. It later, jointly with the Bank of England, took over London and County's financial subsidiaries, which are now being wound up.

Men and Matters, Page 18

LOMBARD

The 'slanting' of EEC coverage

BY C. GORDON TETHER

"ALTOGETHER wrong," says the BBC, when it is accused of "slanting" its coverage of the Common Market referendum. "The fact of the matter is that we are keeping a scrupulous watch on all our news and current affairs broadcasts."

Well, the proof of every pudding is in the eating. And some experiences I have had with this particular "mix" of late can, I believe, throw some useful light on just how justified the BBC is in claiming that scrupulous fairness is its watchword.

There is, to begin with, the matter of the pamphlet I wrote on the economic arguments against staying in the Common Market. This was one in a series of papers dealing with all the major aspects of the case against staying in the EEC commissioned by the Get Britain Out Referendum Campaign. Its publication constituted, therefore, a development of some importance in the anti-Market crusade. And it had sufficient merit to be described by the political correspondent of the Times—no hot-bed of anti-Marketism—as "one of the best analyses so far offered by the anti-Europeans in favour of Britain's withdrawal on economic grounds."

No mention

The BBC was invited to the Press conference at which the pamplet was launched. How much attention did it give it? The answer is none. Which was the same treatment, incidentally, as it accorded, in the national coverage sense, to another important anti-Market document which appeared at about the same time—the Burkitt report on the sovereignty aspect of the EEC debate.

Time and space can be found on the air to report on such "important" pro-Market developments as the decision of a handful of Communists to break away from their party's anti-EEC line. But not, it seems, for items so "irrelevant" as those dealing with the very arguments that the EEC debate is supposed to be about.

Were the BBC's "watchers" dozing when these things were happening? Or is there more to it than that? Here is another story that may help to provide an answer to that question.

Arrangements had been made for me to address a meeting which the "Get Britain Out" campaign was holding in the village hall in Bredon, Worcestershire. A few days beforehand BBC TV rang me up to say that they were planning to televise it in the "Week in Westminster" programme in order to provide viewers with some idea of how the Common Market battle was being fought in the rural areas. If I were agreeable, they would like to take pictures of me on the day in question at my desk in the City, leaving to make the journey to Worcestershire, and so on.

The necessary arrangements were all completed. However, by the time the cameras were due to start rolling, there had been a dramatic change of attitude to televising my participation in the meeting.

The plans for following my journey to Bredon had been scrapped and in the programme that appeared on your screens I was neither seen nor heard and my name was not even mentioned. "There were two speakers," said Mr. Julian O'Halloran, the presenter, "neither of them nationally known." And that was that. Might it not have been pertinent to point out that one of them was a columnist in a national daily who was not without repute and who was, in particular, enough of an authority on the anti-Market case to have written a booklet for the referendum campaign? If so, why was this information deliberately withheld?

Punishing

No less extraordinary was the BBC's behaviour in relation to the Bredon meeting itself. It is no exaggeration to say that, in its own quiet way, this was an anti-Market success story. Almost 200 people attended, near capacity for the hall. And how interested the audience was may be gauged from the fact that everybody stayed for the lively general discussion that followed the speeches and many were still waiting to put questions when time eventually ran out.

Although this was precisely what the BBC was supposed to be there to see, none of it was allowed to emerge in the few minutes devoted to the event on the Box. The cameras gave no more than a passing glance to the platform and the audience at large but they did find time to focus on two old people who had dozed off. As for Mr. O'Halloran's narrative, this spoke only of "two punishing hours" at the end of which, he claimed—with what justification was far from clear—it was impossible to find anybody who had been influenced by what he had heard.

If TV coverage that can so effectively transform a story into something so different is not slanted, the word has lost its meaning. There is much more to striking a balance in the EEC debate than seeing that the leading politicians on the two sides of the argument get equal time. And if the BBC's claim to be behaving scrupulously is to be more than a mockery, it will lose no time in facing up to this.

RACING — BY DOMINIC WIGAN

Florestan for Johnnie Walker

JOHNNIE WALKER and Sons, known for their generous sponsorship in the North, have contributed nearly £2,000 towards this afternoon's Johnnie Walker Stakes (3.35) at Lingfield. The six furlongs handicap, for which there is £2,500 in added prize-money, has attracted some useful performers.

My idea of the winner is *Florestan*, the Duke of Devonshire's handsome Petingo colt, trained at Newmarket by Bernard van Cutsem.

The chestnut three-year-old, half-brother to several winners, including Schoeller, a smart colt in France, put up several useful performances last season and on his final appearance gained a well-deserved first success when outpacing Le Vingt-Huit by 2½ lengths over five furlongs at Brighton in October.

Florestan has had one outing this season—at Newmarket's Craven meeting. Ridden by Willie Carson, he showed good speed for a long way in the Tote-sponsored Free Handicap before tiring to finish ninth of 15 behind Green Belt.

That race will have brought Florestan on considerably and with only 8 st 11 lb I believe that he will prove too good for Honey Pot and Velvella.

Treasury Bond, a strongly-made two-year-old son of the first season sire Good Bond, agreeably surprised his connections when outpacing the odds-on The Headman at Brighton recently and many will expect this colt, trained by Capt. Ryan Price, for journalist and commentator Peter Bromley, to follow up in the Kilmarnock Plate (2.00).

LINGFIELD
2.00—Treasury Bond
2.30—Ballydamus
3.00—Invergayle
3.35—Florestan***
4.10—Harmonise**
4.40—Monetary Star
5.10—Alweston*

AYR
2.15—Grinton
2.45—Gemina
3.15—New Henry
3.45—Congenial
4.15—Bright Comet
4.45—Privy Court

TAUNTON
6.00—Arty Crafty
6.30—Guiburn
7.30—Maniwaki
8.00—Calzado

He may well do so, but it will probably pay backers to note any market move for Mr. Bertram Firestone's unraced Snaffles. This colt, for whom Fulke Johnson Houghton has secured the services of Lester Piggott, is reported to have been showing notable promise in recent homework.

Seven runners are due to go to post for the Ginevra Handicap (2.30), in which a chance can be given to all the runners. It could be best to take a chance with *Ballydamus*, who seems sure to be at attractive odds.

The Upper Lambourn four-year-old, a winner at Redcar last August, ran respectably on his only previous outing this term when eighth of 15 in Aintree's one-mile, five furlongs Knowsley Stakes won by Nopac. The additional three furlongs here will suit him admirably.

Dick Hern's West Ilsley team struck form with a vengeance at the Chester meeting, which ended yesterday. It will be a surprise if *Harmonise*, that smart staying two-year-old of last year, cannot add the Oaks Trial Stakes (4.10) to her tally. If successful, her quote of 40-1 for the Oaks will shrink quickly.

SALEROOM — BY ANTONY THORNCROFT

Music sales go with a swing

MUSICAL INSTRUMENTS dominated the London salerooms yesterday, with sales at both Sotheby's and Christie's. The sale at Sotheby's was the more momentous, realising £184,648—despite the fact that the prize item, a Stradivarius, was unsold. It was bought in when the bidding stopped at £36,000, well below the £84,000 record for a "Strad," established in 1971.

But this apart the bidding was brisk, with only 15 of the 197 lots unsold, and prices around, or above, their forecasts. David Carritt Ltd., usually recognised as a picture dealer, paid £26,000 for a Cremonese violin by Nicolo Amati, made in Cremona in 1682 and bearing the original label.

The price was £6,000 above the forecast, but the violin was described in 1908 as "one of the finest examples of Nicolo Amati known to us . . . one of the world's great violins."

Other high prices were the £15,000 (estimate £10,000) paid by a German buyer for a violincello by Carlo Tononi, made in Venice in 1722, and in a wooden travelling case by W. E. Hill of London; the £8,600 for a violin by Joannes Baptista Guadagnini, Milan, 1753, which was acquired by Richmond; and the £7,000 paid by Adlam Burnett for a two manual harpsichord, inlaid in marquetry, made in London in 1756 by Jacob Kirckman.

To make things easier for dealers and private investors in what is a rather specialist market, Christie's held its musical instruments sale in the afternoon. There were fewer exceptional items for sale but demand was equally strong with 95 per cent. of the lots sold.

Top price was the £7,350 given by a private buyer for a French violincello by Jean Baptiste Vuillaume, made in Paris around 1860. It had been estimated at £6,000-£8,000.

Other good prices were the £4,140, just above target, paid by Anderson for a French violin by Nicolas Lupot, and the £1,785 for a rare George I spinet by Thomas Hancock, made around 1725.

Among the other sales yesterday was one of English and Continental furniture at Christie's, where prices were buoyant and the total reached £39,319. The top price was the £1,995 paid by Norman Adams for a George III satinwood and rosewood bonheur du jour. An English and foreign silver sale at Sotheby's made £27,145.

A set of George II shaped circular dinner plates, engraved with armorials by Benjamin Laver, 1783, sold for £950 to the Australian dealer Cox, and a pair of five light candelabra 1895 was bought by Bloomstein for £920.

At Sotheby's Zurich sale of jewels a lozenge shaped diamond, unmounted and weighing 8.80 carats, made the top price of £45,478 in a grand total of £1,390,403. An emerald, cushion cut and weighing about 4.25 carats, was bought for £29,412.

Two other items had historical connections. An antique emerald and diamond pendant brooch, formerly in the possession of the Hapsburg family, was sold for £7,563, and a 19th century pendant, in gold enamelled add diamonds, with a miniature in the centre of Marie, the daughter of Tsar Alexander II, and wife of the second son of Queen Victoria, made £2,185.

The first day of a Stanley Gibbons sale of All World stamps brought in £15,811, with a top price of £300 for a collection of 200 used Gold Coast of 1889-1902.

ENTERTAINMENT GUIDE

TV/Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 10.45 You and Me. 12.25 p.m. Cynfas. 12.55 News. 1.00 Pebble Mill. 1.45 On the Farm. 20.02 For Schools, Colleges. †3.58 Regional News (except London). 4.00 Play School. 4.25 The Mole. 4.35 Jackanory. 4.50 Roy Castle Beats Time. 5.15 Wildlife Safari to Ethiopia. 5.40 Magic Roundabout.

5.45 News.
†6.00 Nationwide (1,000th Edition).
7.35 The Best of Dick Emery.
8.30 The Good Life.
9.00 News.
9.25 Spy Trap.
10.15 The Minerva Film Company.
†11.15 Regional News.
11.17 "Do You Take This Stranger?" starring Gene Barry.

All Regions as BBC 1 except at the following times:—

Wales—6.00-7.35 p.m. Wales To-day. 7.35-7.40 Disney Cartoon. 7.40-8.05 Heddiw. 8.05-8.30 Digon o Ryfeddod. 10.15-10.45 Week In Week Out.

Scotland—6.00-7.25 p.m. Reporting Scotland. 8.30-9.00 Personal Pursuits. 11.16-11.17 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.35 Scene Around Six. †12.49 a.m. Northern Ireland News.

England—6.00-7.35 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

†6.40 a.m. Open University.
11.00 Play School.
†5.00 p.m. Open University.
7.05 All in the Mind.
7.30 Newsday.
7.45 Family Fare.
8.10 The Old Grey Whistle Test.
9.00 Man on the Island.
9.30 The Money Programme.
10.15 Private Affairs.
11.05 News Extra.
11.25 Closedown: Bernard Hepton reads "For Silence" by Richard Church.

LONDON

9.30 a.m. Schools Programmes. 11.45 Manfred. 12.00 Pipkins. 12.15 p.m. A Handful of Songs. 12.30 Songs That Stopped the Shows. 1.00 First Report. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.20 General Hospital. 2.50 Mid-week Racing from Lingfield. 4.20 Follyfoot. 4.50 Magpie Special. 5.20 University Challenge.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Husband of the Year.
7.30 Caribe.
8.30 Shut That Door!
9.00 The Main Chance.
10.00 News.
10.30 Cinema.
11.00 Police Five.
11.10 The Friday Film: "The Hand Of Night," starring William Sylvester.
12.40 a.m. Ideas in Print.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Food File. 4.25 The Romper Room. 5.20 Follyfoot. 6.00 About Anglia. 7.30 The Six Million Dollar Man. 10.30 Probe. 11.00 Kung Fu. 1.55 Men Who Matter.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 5.20 The Flintstones. 6.00 ATV Today. 7.30 Hawaii Five-O. 10.30 Documentary: Graham (Graham Hill). 11.30 Police Story.

BORDER

†1.25 p.m. Border News. 2.00 Women Only. 5.20 The New Adventures of Superman. 6.00 Border News and Lookaround. 7.30 The Six Million Dollar Man. †11.00 Late Night Film: "Appointment with Crime," starring William Hartnell. †12.40 a.m. Border News Summary.

CHANNEL

4.20 p.m. The Adventures of Black Beauty. 5.20 Untamed World. 6.00 Channel News Headlines. 6.05 Holiday Cartoon Special. 7.30 Kung Fu. 10.30 The Horror Film. "The Wolf Man."

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 5.15 Wait Till Your Father Gets Home. 6.00 Grampian News. 6.10 Grampian Week. 7.00 The Friday Movie. "Curtain Call At Cactus Creek" starring Donald O'Connor. 10.30 Streets of San Francisco. 11.25 The Catch That Nobody Wants followed by Road Report. 11.55 Evening Prayers.

GRANADA

11.45 a.m. Manfred. 1.20 p.m. This Is Your Right. 5.15 Cartoon. 5.20 Crossroads. 6.00 Granada Reports. 6.40 Randall and Hopkirk (Deceased). 7.35 Shut That Door!. 8.05 Hawaii Five-O. †11.05 The Friday Film: "The Hunchback of Notre Dame" starring Charles Laughton and Maureen O'Hara.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 University Challenge. 7.05 The Friday Mystery Movie: McCloud. 11.00 Pathfinders.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.50 Cestyll Cantamil. 6.01-6.18 Y Dydd. 10.30-11.00 Outlook.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Professional Kitzel. 5.25 Crossroads. 6.00 Scotland Today. 6.30 The Flintstones. 7.00 Ways and Means. 7.30 The Streets of San Francisco. 10.30 Late Call. 10.40 Friday Thriller: "A Howling in the Woods" starring Vera Miles.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 59 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66). 6.35 Husband of the Year. 7.05 *Mystery Movie* McCloud. 8.30 Love Thy Neighbour. 10.30 A Southern Report. 11.00 Southern News Extra. 11.10 Police Story. 12.05 a.m. Untamed World.

TYNE TEES

9.25 a.m. Starting Point. 11.50 Kiri The Clown. 4.50 p.m. The Count of Monte Cristo. 5.20 Follyfoot. 6.00 North East News. 6.05 Division—On Europe. 7.30 The FBI. 10.30 Sports Time. †11.00 The Friday Night Film: "Frankenstein Meets the Wolf Man," starring Lon Chaney Jr. 12.20 a.m. Late News Headlines. 12.25 Open Bible.

ULSTER

1.20 p.m. Ulster News Headlines. 4.18 Ulster News Headlines. 5.20 The Amazing Chan and the Chan Clan. 6.00 UTV Reports. 6.25 Police Six. 7.30 Kung Fu. 11.00 Police Story.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.20 The Adventures of Black Beauty. 5.20 Untamed World. 6.00 Westward Diary and Sports Desk. 7.30 Kung Fu. 10.32 Westward Late News. †10.35 The Horror Film: "The Wolfman," starring Claude Rains. 11.50 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 The Count of Monte Cristo. 5.20 Follyfoot. 6.00 Calendar. 7.30 The F.B.I. †11.00 The Friday Night Film: "Impact," starring Conrad Phillips.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton: (S) also on VHF. 5.00 Newsbeat. 5.15 Rosko's Round Table. 7.00 As Radio 2 until 12.33 a.m. closedown.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) with The Early Show including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House from Jersey (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1 but including on 1500m only (also 202m Scotland) 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk with racing results. 6.45 Sports Desk. 7.02 Just for Fun. 7.30 Cricket Scoreboard. 7.32 Ronnie Aldrich conducts the BBC Radio Orchestra (S). 8.32 Friday Night is Music Night. 10.02 Sports Desk. 10.05 Len Jackson (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This week's composers: Scarlatti, Boccherini (S). 9.55 Liszt and Bach piano recital (S). 10.55 Concert Club (S). 12.15 p.m. Midday Concert, part 1: Schubert, Walton (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert, part 2: Strauss (S). 2.05 20th-Century flute music (S). 2.55 Handel: The Chandos Anthems (S). 3.50 String Quartets (S). 4.25 Schoenberg, Debussy and Chopin piano recital (S). 5.25 Pied Piper. ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Study on 3. 7.30 Music as Music (S). 8.20 Interval Reading. 8.30 Music as Music, part 2. 9.25 A Portrait of Alfred Piccaver. 10.25 Julian Bream guitar recital (S). 11.25 News.

Radio 3 (VHF only): 6.20 to 7.00 a.m. and 5.45 to 7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the day. 6.45 Today including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today. 7.27 Sportsdesk. 7.35 Today's Papers. 7.45-7.50 Thought for the day. 7.55 Weather, programme news. 8.00 News and more of Today. 8.27 Sportsdesk. 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. ‡10.00 News. ‡10.05 Checkpoint. 10.30 Daily Service. ‡10.45 Morning Story from Northern Ireland. ‡11.00 News. ‡11.05 My Kind of Music. ‡11.50 Toby and his Uncle Jake. 12.00 News. 12.02 p.m. You and Yours. 12.27 Twenty Questions. ‡12.55 Weather, programme news (VHF) (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour from Birmingham (‡ from 2.00). 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Brain of Britain 1975. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. Radio 4's International Business Report: Market Trends. 11.15 Today in Parliament. 11.25 Week ending . . . (review of the week's news). 11.40 News.

For Schools (VHF only)—10.00 a.m. to 12.00 and 2.00 to 3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 3.32 The London Gardener. 3.45 The Jobfinders. 4.03 Lobby. 4.32 Home Run including London News Desk at 5.00. 6.00. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 London Country. 10.03-2.02 a.m. Popshop.

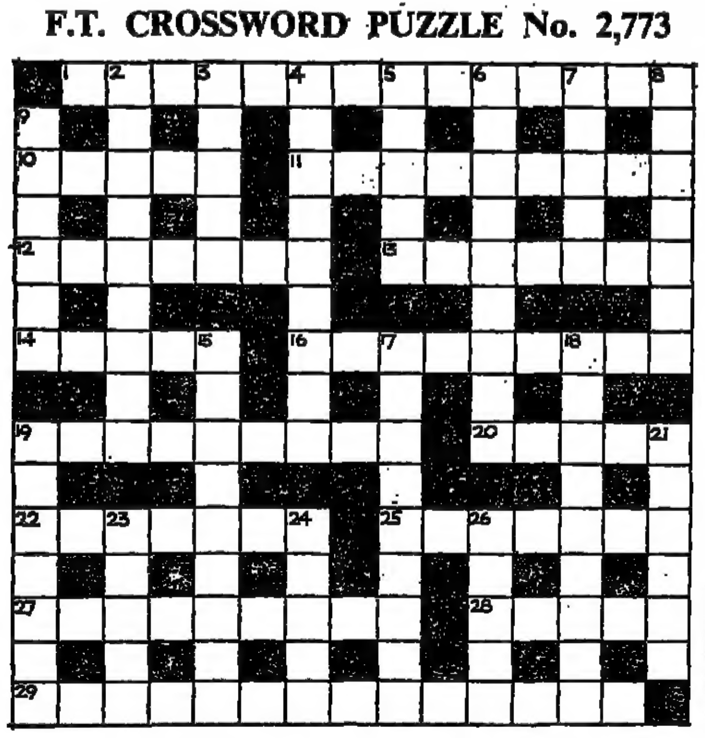
London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "A.M.": News, interviews, traffic and travel news, plus sport, with Douglas Cameron and Clive Roslin. 10.00 Open Line with George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo, devised by Andrew Carnegie. 9.00-1.05 a.m. Love in London, presented by Adrian Love.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. Kenny Everett with 2½ hours of music and madness. 9.00 Michael Aspel with Music, Features, Advice and Swopshop. 12.00 Cash on Delivery with Dave Cash and Music. 3.00 p.m. Roger Scott with Music. 7.00 London To-day. 7.30 Meet Your MP—Open Line with Allan Hargreaves. 9.00 Nicky Horne's rock show. 11.00 Tony Myatt's late night on Capital. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,773



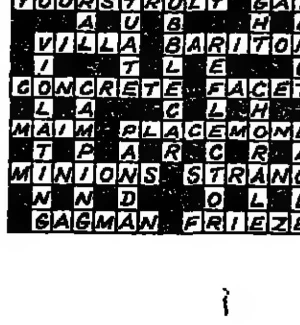
ACROSS

1 Well off meriting a few curtsies (5, 1, 3, 2, 3)
10 More suitable for one doing exercises (5)
11 Part of London noted for vulgar snobbery (9)
12 Less perceptive but brilliant game (7)
13 Turned away from vow given to Edward (7)
14 Plant inducing sloth in its consumers (5)
16 A parent's fur coat is capable of being collected (9)
19 Ironic piece attractive to Poles (3, 6)
20 Twister with country accent beheaded (5)
22 Girls' school eggs on church dignitary (7)
25 Evergreen artist returns with objection to you and me (7)
27 Without being seen to be clean (9)
28 Canny type ensuring success of industrial revolution (5)
29 Very quickly hides torment (4, 3, 7)

DOWN

2 Tradesman finds striking more suitable (9)
3 Became fed up of it coming up the colour of beetroot (5)
4 Discover it is comparatively bound to happen (9)
5 The last thing taken to Cockney institution by Georgia (5)
6 Tyrant goes to work on newspapers offering alternative (9)
7 Tobacco causing a revolution (5)
8 Late getting across with subscription (7)
9 Frisk doctor in prison (6)
15 Ocean started to be isolated (6, 3)
17 A famous violin led astray like a man on horseback (9)
18 Trifle with game on board (9)
19 Old boy upset by violent town (7)
21 Make certain three-quarters go on river (6)
23 Firm supporter of school board (5)
24 Recorder puts tenor out of harmony (5)
26 Increase volume of jeering over East-end (5)

SOLUTION TO PUZZLE No. 2,772



Newcastle/Middlesbrough

Nabucco/The Barber of Seville

by ELIZABETH FORBES

...county boundaries change ...usingly, but rivers, fortu...ly, don't, and Newcastle still ...ds firmly upon Tyne, while ...llesbrough remains beside ...Northern Opera, a flour...ge organisation whose home ...the former city, on Tues... presented its annual spec...lar at the Theatre Royal. ...company's prize attraction ...g a magnificent chorus, its ...rtory is selected accordingly; ...st productions have included ...llom Tell, Aida and Prince ...This year the choice fell ...Nabucco, which, besides pro...ng superb music for the ...us, is a work that responds ...ticularly well to the enthusi... and dedication of groups ...as Northern Opera; they ...h the fervent spirit of Verdi's ...e, easily lost in too sophisti...d hands.

...mply and effectively pro...ed by Tom Hawkes, in suit... monumental sets, designed ...Eric Brierl and atmospheric...lit by Peter Mannall, the ...t scenes in the Temples at ...usalem and Babylon, or on ...banks of the Euphrates, make ...tremendous impact. Mr. ...wkes skilfully positions his ...wds of Hebrews and Assyrians ...the raked set to form some ...king stage pictures, which ...ge or dissolve into purposeful ...on. The tricky moments all ...k well: the thunderbolt brings ...ant retribution for Nabucco's ...phemy; his crown rolls punc...ly on the ground, to be ...ed up by a soldier at Abi...'s imperious gesture; the idol ...Baal is shattered with satisfy...thoroughness by the flash of ...tning.

...illa Andrew is an intense, ...manding Abigail, who makes ...distinction between singing ...acting, so even the slight ...rtfulness of her vocalisation ...at to good dramatic use. John ...es is an impressive Nabucco, ...se pride, madness and final ...version all carry conviction. ...hael Bauer makes a dignified ...charias, lacking perhaps the ...aticism of the true prophet, ...evidently sincere in his ...iefs. Alison Graham contri...es a gentle Fenena and Ken...h Ormiston a robust Ismael. ...ncy Robertson, conducting the ...don Opera Orchestra, with a ...ong, clear beat and unhurried tempos, leads a firmly-controlled performance. There is a splendid banda—the local City Youth Brass Band—and the chorus produces some gloriously full-toned, rhythmically alert singing.

On Wednesday a new venture, Festival Opera, was successfully inaugurated at Teesside Polytechnic Hall, Middlesbrough, with The Barber of Seville. Formed to bring regionally-based opera to the north-east, and funded largely by local councils and industries, the company also aims to provide experience for young professional singers. Professional is certainly the word for Festival Opera's Barber, produced by David J. C. Rixon with a welcome absence of distracting gimmicks, and designed by Betty Jane Cherrington, whose sets for the exterior and interior of Dr. Bartolo's house are practical and attractive. The bright acoustic of the hall favours both the voices and such detail as the many solo woodwind passages in Rossini's score, but can be a bit overwhelming in orchestral tuttis.

William Elvi nis a confident, likeable Figaro, who masterminds the intrigue with infectious zest, and sings strongly. Anthea van den Driesen, a delightful Rosina, charms not only with her appearance, but with her warm, perfectly-placed mezzo-soprano voice, whose lower register is particularly rich and colourful. Robin Leggate makes a dashing Almaviva, for once of likely student age. He gets nimbly round the fioritura of "Ecco ridente" and even has a valiant try at the rondo in the final scene, more familiar, as Cenerentola's showpiece, "Nacqui all'affanno." Alan Holdich, a philosophical Bartolo, and Roger Bryson, a light-fingered Basilio, are vocally well contrasted, while Elizabeth Beavis makes an optimistic Marcellina. Nicholas Braithwaite conducts the Northern Sinfonia Orchestra with a fine ear for the subtle gradation of a Rossinian crescendo, and secures excellent ensemble.

Book Reviews appear on Page 16

Piccadilly

The Sunshine Boys

by B. A. YOUNG

The Sunshine Boys, vaudeville stars of a bygone age, were Al ...ewis and Willie Clark. They ...plit up after 43 years' partner...hip because Lewis used to jab ...a forefinger too hard in Clark's ...hest and spit in his face when ...e pronounced his 't's. Since ...en, Lewis has lived quietly ...th his daughter in New Jersey ...nd Clark has lived in a New ...rk hotel bedroom and they ...ve resolutely avoided each ...her.

But for a good-old-days television programme Willie Clark's ...phew, who is an agent, is ...ing to get them to do one of ...ir sketches, and Neil Simon's ...y is not much more than an ...ecdote about how it was ...done and how, when Willie ...t had a heart attack at their ...t rehearsal, fate contrived ...t they should spend all the ...t of their lives together.

...t keeps the titters rippling ...e skill of Mr. Simon's New ...rk Jewish wisecracking dis...ue and the ability of Jimmy ...vel and Alfred Marks, as ...llie and Al to become two old-...e vaudeville comics to the ... Mr. Jewel has the better part; he is the excitable one, jumping up and down in irritation when things go wrong for him, as his near-senile inefficiency guarantees things constantly do. Alfred Marks is the straight man, resigned to the quiet country life ("You get fan mail? I don't even get jury duty.") There is only one other part of any magnitude, the young agent, well played by Stuart Damon.

It can't be denied that Mr. Simon overloads his scripts with gags; there is barely a line in The Sunshine Boys that is not met with a snappy come-back. But one can't help admiring the sheer fertility of it. Something more, too: when we actually see the Lewis and Clark sketch about the doctor, it is written, with equal ability, in a quite different style of comedy, as if we were exchanging Jack Benny for Abbott and Costello.

The director is Danny Simon, and the sets—a seedy hotel room for Willie Clark and a simple impression of a television studio in one dimension—are designed by Christopher Morley.

Covent Garden

Coppélia

by CLEMENT CRISP

...is Margaret Barbieri's ...likely distinction to have ...ced both the hero and the ...oine in Coppélia, a fact ...lained not by any hormonal ...ery-pokery but by the tra...y, tradition of the role of ...nz which she played in ...let for All's delightful evoca... of the first French produc... of the ballet. She was a ...itchingly pretty Franz, and she ...makes a no less beautiful ...nilda; at her second per...nance in the part on Wednes... she was very merry as the ...etan belle, all teasing and ...rums.

...erhaps a little too much so ...times—the interpretation ...ned in imminent danger of ...oming coy—but her liveliness ...manner won our hearts as it ... that of her Frantz of the ...ning, Stephen Jefferies. Mr. ...eries has also pulled off a ...ble portrayal this season: like ...rt Helpmann during the ...time years, he has been seen ...as Coppélius and as Frantz, ...nd like Helpmann, Mr. Jefferies is totally a creature of the theatre. He has an extraordinary ease of presence on stage; he can project the lightest and most fleeting of emotions with unusual power, and every gesture, every feeling seems fresh and convincing. This in itself makes his performance as Frantz of great interest: I do not recall an interpretation more vividly played, nor one more saucily engaging, and this in a role as flimsy as any in its dramatic material.

Mr. Jefferies' dancing in Act 3 is neat at moments rather small in outline—unlike his acting—but stylish, and marked on Wednesday by an odd and daring end to the solo in which he knelt on stage for an appreciable moment before taking the final pose. It required a good deal of nerve to pull it off: characteristically, Mr. Jefferies made it seem exciting. A new Coppélius, too, at this performance: Ashley Killar makes the necromancer less menacing than usual, but this almost kindly way with the old buffer is well reasoned, and effective.

Caballe, Davis in Covent Garden charity concert

...ontserrat Caballé and Music ...ector of the Royal Opera ...se, Colin Davis, are among ...artists who will take part in ...concert to be given at the ...al Opera House, Covent ...den on Wednesday night, ...14 at 11.30 p.m. The con... is being organised and pre...ted by the members of the ...al Opera House Orchestra in ...ciation with the Royal Opera ...rus and the Opera House's ...TIKE stage staff.

...e soloists, conductor, chorus, ...e staff and orchestra are to give their services, and the entire proceeds from the concert will be handed to the Ockenden Venture for their new home in Camberley for handicapped Vietnamese children.

Tickets, at prices ranging from £1.50 to £12.00, are available from the Opera House Box Office, P.O. Box 6, London WC2E 7QA. Orders may be sent in advance, envelopes to be marked, "Special Concert May 14." Donations from those unable to attend the concert will be gratefully received.

A scene from 'The Bitter Tears of Petra Von Kant'

Cinema

Contrasts

by NIGEL ANDREWS

The Bitter Tears of Petra von Kant (X) Gate Cinema
Vietnam Journey (U) Gate Cinema
Phantom of the Paradise (AA) Odeon, Chelsea
All Creatures Great and Small (A) Studio Two
It's Alive (X) Warner West End 1 and ABC Fulham Road
Janis (AA) Ritz

The most damning insult a critic can usually come up with when he is at a loss for more specific brickbats is the word "uncinematic." What does it mean? No one, least of all the critic, probably knows. But if you challenge him on the matter he will probably say that an "uncinematic" film is a film that is short on exterior sequences and camera movement, and long on dialogue and stylised, "theatrical" performances.

Such a critic could then be profitably packed off to The Bitter Tears of Petra von Kant and asked, when he came back, if he still held to his lordly definition of what is and isn't cinema. Made by Rainer Werner Fassbinder, whose recent film Fear Eats The Soul gave the Gate Cinema such a successful opening, is as near to "theatre" as a film could be. Not only is it based on the director's own stage play, but its action is confined to one room, its cast to six characters (only two of whom have big speaking parts) and its plot to a slow, wordy, theatrical format in which fade-outs heavily denote the end of an act, and in which the glare of the footlights seems almost visibly to steal up from the bottom of the screen.

The result is extraordinary: a completely integrated film in which make-up, gesture and artifice are not the embarrassed left-overs of a stage original, but part of the hothouse world in which the drama's heroine lives. A dress designer with two ill-fated marriages behind her, Petra has taken refuge in a fantasy world as elegant and bloodless as the mannequins who crowd her bedroom-cum-studio. A secretary and assistant, Marlene, moves about the room, never speaking, and a huge Titian-esque mural dominated by a male nude bears witness to the frozen passion of the heroine's life style. (No accident that the name Petra means "stone.")

Like Fear Eats The Soul, the film is a story of the melting of inhibition and reserve, and of a woman's revolt against the tyranny of convention and social propriety. Petra meets a young model, Karin, falls in love with her, lives with her until the younger girl coolly and suddenly returns to her husband, and then spends the penultimate scene—flanked by the stupefied relatives who have turned up for her birthday party—spilling out her grief in a long aria of violence and despair.

Until Fear Eats The Soul, however, neither the diagnosis of the emotional problem nor its cure is simple. In the last scene of the film, having worked through her grief and glimpsed the futility of role-playing and possessiveness, Petra tells the submissive Marlene that she will henceforth treat her as an equal—as her partner not her servant. Marlene, however, is committed to the servile role she plays and happy in it: her reaction to the new relationship proposed is promptly to pack a suitcase and leave, abandoning Petra to the lonely, darkening apartment, and to the thought that there are no permanent rules, and no long-running roles, in human relationships.

The fascination of the film lies in the contrast between its flamboyant visual surface—the arabesque of Fassbinder's camerawork, the Sternbergian lighting and costumes (a new dress and wig for Petra with each scene)—and the quietly insistent conundra of its tragic theme. Can love exist without possessiveness? Does one destroy or liberate a relationship by dissolving the master-servant pattern on which it is based? The contrast between the two main characters is brilliantly sharp—Margit Carstensen's Petra with her chameleon changes of mood and her tragic queen of self-pity, and the silent Marlene, black-dressed, button-mouthed, moving about the room like a ghost—but Fassbinder makes us realise that both are prisoners: that slavery is as significant an ingredient in love for some, as freedom is for others: and that the claustrophobia of a one-room apartment can be as triumphantly "cinematic" a setting as the wide open spaces of a desert or a prairie.

Showing with Petra von Kant is Vietnam Journey, a rambling and uninformative documentary made in Vietnam last year by Jane Fonda, Tom Hayden and Haskell Wexler. Miss Fonda is seen holding babies and smiling at the camera as if in training for an election campaign, and any political message the film may once have had is submerged in a series of halting, poorly-interpreted interviews and travelogue footage of the Vietnamese countryside. If you want to give your best attention to Petra von Kant, I should advise you to give this ill-judged supporting programme a miss.

★

Phantom of the Paradise is, as you might guess, a tribute to the old Lon Chaney classic. The Paris Opera setting of the original has been transposed to a 1970s rock palace, and the hero is a pop composer who has been cheated and disfigured by an evil impresario. The treatment isn't quite as witty as the idea: too much screen time is given over to the musical performances themselves, and the comic variations on the Chaney original tend to play themselves out too early on. But Brian de Palma's script and direction have great élan, and Paul Williams performs a notable double by playing the impresario — a blonde, lisping sybarite with a specially refined line in sadism—and by composing the film's memorable pastiche—'60s songs.

★

There is a corner of a Hollywood production office that is forever, England: and All Creatures Great and Small was conceived there as surely as was Mrs. Miniver. This tale of a young Yorkshire vet (Simon Ward), his irascible senior partner (Anthony Hopkins) and the various animals he nurses back to health during his apprenticeship, is set in a pre-war England—tweedy, genial, eccentric—that has been part of movie mythology ever since Lassie Come Home. But although this American-produced film (directed by Claude Whatham; adapted from a book by James Herriott) is amiable enough, and will probably go down well in the States, it is finally much too bland for its own good. The presence of Anthony Hopkins—an actor of outsize talent coping with a negligible character role—emphasises the disparity between the film's resources and its material. And one wonders whether this leisurely tale would not have been better served by a television series than by a film of which one is constantly expecting slightly more dramatic interest than one gets.

★

It's Alive, the first "battered parent" film, is about a homicidal baby. No sooner has the story's ill fated mother given birth to her 10lb baby boy than the said infant is cutting a murderous swathe through Los Angeles, setting in motion a city-wide police hunt that culminates in a chase through the LA sewers. The film is elementary, Z-movie stuff, but clever direction and special effects make the story a lot less ridiculous than it sounds; and the baby itself—equipped with flashing fangs, pudgy arms and shiny, dome-like ahead—is a fetching creation, all the more macabre for being seen only in brief and tantalisingly ill lit glimpses.

★

For fans of Janis Joplin there is a new documentary called Janis: a collection of filmed excerpts from her concert performances and recording sessions, interspersed with interview material. An hour and a-half of Janis Joplin is about 90 minutes more than I can take, but majority opinion I know is against me, and so no doubt will be the box office receipts for this film. Flimsily put together, it none the less has enough of the genuine article to please her admirers, and makes a suitably resounding companion piece to the recent feature documentary on Jimi Hendrix.

Sadler's Wells Theatre

Cinderella

by RONALD CRICHTON

This Cinderella is Massenet's opera Cendrillon, presented, with their usual competence, by the Royal Academy of Music Opera Class—two more performances, to-night and to-morrow. Cendrillon is a re-telling by Henri Cain of Perrault's fairy story, differing in various ways both from Rossini's Cenerentola and from the English pantomime version. The mood is late-romantic, like Chaikovsky's Sleeping Beauty. The plot gave Massenet no opportunity for sin, remorse or high melodrama, but Cain contrived a new twist by which Cinderella's henpecked father Pandolfe whisks her away after the ball to the country, far from her horrid stepmother and stepsisters. Here the Fairy grants her a vision of the Prince and allows them just one kiss.

The experience causes a breakdown from which Cendrillon duly recovers, tended by her fond father. Meanwhile, the Prince is moping too, and Massenet can write suitably morbid music. Needless to say, the Fairy puts everything right in the end. Her iridescent, gleaming coloratura was a reminder that the RAM recently staged Ravel's L'Enfant et les sortilèges—it would not be surprising if Ravel had taken a hint or two for his Fire-fairy from Cendrillon. Massenet's opera did not take told of the student performers or of the large audience as surely as Ravel's, but L'Enfant is a poetic work touched with genius. Cendrillon, a luxurious, craftsmanly confection. They perform it well, with exceptionally good orchestral playing under Mark Elder, who does everything possible with the score except give it the Beecham touch which could turn paste into jewels.

The singers had been well prepared in music which can only make its full effect with the most stylish and experienced artists available. Anne James, the Cendrillon, gave an impression of total sincerity, and held herself at the ball as if she was totally enchanted. The voice is pure, steady, with a touch of whiteness which would hardly be noticed if there were more vitality behind the line. Price Charming is a breeches part. Judith Jeffrey, a useful mezzo, was also sincere and dignified, not quite trim enough in appearance for a role needing the kind of presence Anne Howells, for example, brings to Octavian in Rosenkavalier.

Massenet wrote the role of Pandolfe, the father, for a big star, Lucien Fugère. David Johnson Wilson had the sense to take it lightly and not try for an impression of weight beyond his years—both his singing and his French were commendably idiomatic. Lorna Washington was supple and confident in the Fairy's vocal cascades, where one expects a more metallic, French sound but is not altogether sorry not to have it. Sara Mousley sings the part tonight. Carolyn Allen, Beryl Korman and Anne Mason on the other hand found the spitfire tones of the stepmother, Mme de la Haltière, and her daughters glittery. Ormandy's approach to them (Massenet's family ensembles are written with a typically feline touch). A word for the chorus and the off-stage singing and playing, all of it integrated with a sureness not invariably forthcoming from professional companies.

There is a group of eight dancers from the Royal Ballet School. The choreography is discreetly anonymous, but the dancers are ingeniously used to form the magic coach and the hedge that separates Cendrillon from the Prince in the wood scene. Otherwise the production by Anna and Tony Sweeny is efficient if unimaginative, taking the easy way, guying the stepsisters (Cendrillon's achievement in winning the Prince is greater if they are handsome vixens, not gawks) and needlessly perpetuating a hoary misunderstanding. Surely the slipper was a pantoufle de vair (squirrel fur) not verre—what Good Fairy worthy of the name would send a girl to a ball in glass slippers?

Mark Wheeler's designs are simple, practical, and reasonably suggestive. The magic wood is rather pretty, but the Fairy under her tree is so underlit as to be unrecognisable. Her boutique-Bérain costume is a mistake. Now that the RAM orchestra is so good is there not a case for re-mounting the 1970 production of Fauré's Pénélope, where the effect of some promising singing was lessened by tentative, unready playing? Pénélope is more difficult, but much more worth while, and a number of people who wanted to see it failed to get in last time.

Festival Hall

The Philadelphia

The Philadelphia Orchestra, America's musical equivalent to Technicolor, played a triumphant concert at Festival Hall on Wednesday—the only London appearance on their 75th birthday tour. Some may have thought the two large works chosen, Mussorgsky's Pictures at an Exhibition and the Brahms Second Symphony, made a showy, superficial combination, and found it a slightly sneery occasion; and I thought the actual performances peculiarly plastic, even predictable, and would as soon have heard them play Stokowski's transcription of the Bach D minor Toccata, Ravel's Bolero, and Chaikovsky's Fourth. But nonetheless, or still and all, the goal was achieved, for the concert captured the multiphonic glory of the Philadelphia Orchestra.

Ormandy began with one of Mozart's lesser symphonies, the sparkly three-movement No. 31, typically in D. Here the strings were scaled down to a dozen first violins and four basses; but still the sound was large and glittery. Ormandy's approach to Mozart makes me wonder whether he has ever studied late 18th century instruments—not that one would wish the Philadelphians to play all quaint and finicky, for that would be silly, especially in their own hall. His French were commendably ... Ormandy's pacing of Mozart is so urbane, so business-like and eventually boring, that he seems to have no feeling for the natural tension inherent in 18th century music-making. Adding a "7th" was quite an occasion then, and semiquavers went positively up and down (technicalities take too long to explain); yet in Ormandy's ear, a Mozart Allegro full of bravura simply seems to mean a fast, even tempo, and cadences pop along with scarcely a breath in between. Mozart, the original music machine?

The Brahms D major symphony was much louder, but within its own language given a similarly fast and unfriendly performance, with dead-pan inflection except for special stop-overs for juice extraction, such as the first movement's "cantando" cello theme. Throughout the symphony, but particularly in the finale, Ormandy achieved that irritating feat, or defeat, of making syncopation sound like plain rhythm, all downbeats and no suspensions, which empties all tension from the balloon. Perhaps it is simply that his musical feelings are eminently sane, and that the orchestra executes them with glittering perfection; but there's a world of difference between this kind of plain smoothness, and that warm, generous phrasing bidden under the golden sheen of the Berlin Philharmonic by Karajan. No exposition repeat, by the way—shame!

But the Mussorgsky was stunning, every trick of Ravel's orchestration producing a different sensation. Marvellous articulation, and distinctive dynamic grading, brass tone blossoming. Strings in octaves? Pure velvet again.

GILLIAN WIDDICOMBE

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Closing date 23rd May, 1975.

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MA Mech. Aged 44. Managing Director, Sales, Furniture. Lt. Eng. £12,000.
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Without obligation, further details of these and other candidates may be obtained by contacting Beckwell Management Search Ltd., 84-86 Baker Street, London W1M 1DL. Tel: 01-935 9898, quoting reference PC, all enquiries will be handled in strict confidence.

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COMPANY NOTICES

GENERAL MINING & FINANCE CORPORATION LTD.
(Incorporated in the Republic of South Africa)

Notice of Meeting

NOTICE IS HEREBY GIVEN that the seventy-fifth annual general meeting of the members of the company will be held in the board room, 6 Hollard Street, Johannesburg, on Thursday, June 5, 1975 at 12.15 p.m. for the following purposes:

1. To receive and consider the annual financial statements for the year ended December 31, 1974.
2. To elect directors in place of those retiring in accordance with the provisions of the company's articles of association.
3. To determine the remuneration of the auditors for the year ended December 31, 1974.
4. Special Business: To consider and, if deemed fit, to pass with or without modification the following resolution which will be proposed as an ordinary resolution:

"The ordinary shares not allotted nor issued at June 5, 1975 be placed under the control of the directors who be and they are hereby authorised subject to section 222 of the Companies Act, 1973, to allot or issue those shares in their discretion on such terms and conditions as and when they deem fit to do so."

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and speak and, on a poll, to vote in his stead. Such proxy need not be a member of the company. Instruments appointing a proxy must be deposited at the registered office of the company in Johannesburg, or the London office at least forty eight hours before the time of the meeting.

Holders of the preference shares are entitled to attend the meeting but may not vote thereat.

Holders of share warrants to bearer wishing to be present or represented at the meeting may obtain the necessary information regarding the formalities to be complied with and forms of proxy on application to the London office of the company.

For the purpose of determining those members entitled to attend and vote at the meeting, the transfer books and register of members of the company in South Africa and the United Kingdom will be closed from May 29, 1975 to June 5, 1975, both days inclusive.

By order of the Board
F. J. SCHOOMBIE, Secretary.

Johannesburg
May 9, 1975.

GOLLIN HOLDINGS LIMITED

Notice is hereby given that the Register of Members of Gollin Holdings Limited will be closed from 5 pm on Thursday May 22, 1975 to 9 am on Monday May 26, 1975 for the purpose of ascertaining shareholders who are entitled to receive the interim ordinary dividend of 6 per cent. or 3 cents per ordinary share announced by the Directors on April 28, 1975. The dividend will be paid on June 11, 1975.

By order of the Board
J. A. MOORE,
Secretary.

ATKINSON OATES MOTORS LIMITED ("ATKINSON")
(Incorporated in the Republic of South Africa)

SCHEME OF ARRANGEMENT ("the scheme") between ATKINSON and THE HOLDERS OF ITS 4 933 835 FULLY PAID ORDINARY SHARES OF 50 CENTS EACH WHICH ARE NOT BENEFICIALLY OWNED BY MAIN AUTOMOTIVE INVESTMENTS LIMITED

(1) The scheme sent to shareholders on 14th April 1975 was agreed to at a meeting held (in terms of an Order of The Supreme Court of South Africa) on 7th May 1975 by 1 741 265 votes cast by 145 ordinary shareholders in favour of the scheme as against 21 500 votes cast by 8 ordinary shareholders against the scheme.

(2) The special and ordinary resolutions required to give effect to the scheme were passed at a general meeting held on the same day.

(3) As stated in the explanatory statement sent to shareholders with the scheme, an application will be made by ATKINSON to The Supreme Court of South Africa (Witwatersrand Local Division) Johannesburg, at 10:00 a.m. on 20th May 1975 for the sanctioning of the scheme. Any shareholder (whether or not present or represented at the meeting referred to in (1)) will be entitled to be present or to be represented by Counsel at the hearing of that application.

(4) If The Supreme Court of South Africa sanctions the scheme and confirms the reduction of ATKINSON's share capital to give effect to the scheme, then the salient dates of the scheme will be those stated in that explanatory statement, namely—

(a) THE RECORD DATE, i.e. the day on which—
(i) dealings in and the listing for ATKINSON's ordinary shares on The Johannesburg Stock Exchange will cease; and
(ii) its register will close to determine to whom McCARTHY RODWAY LIMITED ordinary shares will be allotted and who will be entitled to a cash payment from it,
will be the close of business on 30th May, 1975.

(b) THE EFFECTIVE DATE, i.e. the date on which—
(i) the scheme will be carried into effect; and
(ii) the listing on The Johannesburg Stock Exchange for the McCARTHY RODWAY LIMITED ordinary shares allotted to give effect to the scheme will commence,
will be 2nd June 1975.

ATKINSON's ORDINARY SHAREHOLDERS WILL BE INFORMED OF ANY CHANGE IN ANY OF THOSE DATES.

SHARE CERTIFICATES AND CHEQUES POSTED (where ATKINSON share certificates or certified transfer deeds are received on or before the effective date) before or on 16th June 1975.

JAMES BEATTIE LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS relating to the Ordinary Shares and "A" Ordinary Shares (Restricted Voting) of the Company will be CLOSED from the 20th May to the 3rd June, 1975, both dates inclusive.

By Order of the Board.
G. T. LOWNDES, Secretary.

71-78 Victoria Street, Wolverhampton.

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9th May, 1975

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PUBLIC NOTICES

HAMPSHIRE COUNTY COUNCIL BILLS

£5m. offered and issued 8.5.75 at an average rate of 9¾% due 7.8.75. Applications totalled £21m. and total bills outstanding £19m.

CONTRACTS AND TENDERS

THE LIBYAN ARAB REPUBLIC

Ministry of Treasury

Central Tender Board
Tripoli

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Tenders should be submitted in wax sealed envelopes addressed to:—

Chairman of the Central Tender Board,
Ministry of Treasury,
Tripoli,
Libyan Arab Republic.

Closing date 16th June, 1975.

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WORLD TRADE NEWS

Dutch to counter rise in guilder

By Michael Van Os

AMSTERDAM, May 8.

THE DUTCH Finance Ministry has indicated that it will bring forward measures shortly to support export industry, which is being seriously hit by the increasing strength of the Dutch guilder.

Dr. C. Oort, the Treasurer-General, said at The Hague that the Government was likely to raise the ceiling for export financing against the relatively low interest rate from the present Fls.1.5bn. to Fls.2bn. (£265m. to £353m.). It was further being contemplated whether to allow foreign public bodies to borrow on the Dutch capital market in an effort to depress the guilder exchange rate.

Meanwhile, Dr. Jan R. van den Brink, a leading banker, has stated here that as a result of the steep increase in income from natural gas exports and the savings on energy imports by the increased production of natural gas for domestic consumption, the Dutch balance of payments was still very strong.

That had been the case despite the fact that the cost level for exporting industry in Holland was generally not showing up well against other countries, while profit growth of industry in general, if there was any at all, generally lagged behind the rate of inflation.

Dr. van den Brink, a chief managing director of Amro Bank, says that despite those factors, the guilder had become harder than ever as a result of the favourable balance of payments position, "which hindered all Dutch exports except gas sales, and affected income from abroad."

The banker noted that the lion's share of gas revenue went to the State and, echoing the views of Dutch central banker Dr. Jelle Zijlstra last week, he made an urgent plea for the Government to use an increasing share of the gas revenue to relieve the tax and social security burden on Dutch industry, particularly exporters.

Faced with an erosion of profits, that sector also had to absorb rising energy costs and ever-increasing expenditure for environmental purposes.

U.S. buys more bulk-shipped Scotch whisky

Financial Times Reporter

SCOTCH WHISKY shipped to the U.S. in bulk continued to increase its share of the world's biggest whisky market in the first quarter of the year at the expense of the bottled-in-Scotland varieties.

Bulk Scotch is sold at lower prices because it does not pay so much duty under the U.S. import system. In the first quarter duty was paid on just over 11m. U.S. tax gallons of Scotch, down 13 per cent. on a year earlier.

Duty payments on Scotch imported in bottle fell by 28 per cent. to 6.3m. gallons. The bulk types improved clearances from bond—and, by implication, sales —by 21 per cent. to 4.7m. gallons.

The 12-month "rolling" total to March confirms the pattern. Total tax payments on Scotch were 5 per cent. lower at 50.5m. gallons. The bottled import value was down by 10 per cent. to 3.3m. gallons while the bulk was 7 per cent. ahead at 17.5m. gallons.

Aircraft industry nationalisation

First signs of order hesitancy by overseas customers

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

DESPITE UNCERTAINTIES arising from the threat of nationalisation of the major airframe and guided weapons companies, exports by the British aerospace industry continued to rise during the first three months of this year to reach the new quarterly record of £180m.

The Society of British Aerospace Companies, reporting this yesterday, nevertheless gave a warning that the industry is seeing the first signs of overseas customers "beginning to peel off and look elsewhere" as a result of the imminent threat of nationalisation.

Relations between the U.K. aerospace industry and some traditional customers in Europe have also been strained by the Government's forthcoming referendum on British membership of the Common Market.

"Current debate of such controversial issues is clouding the need for decisions on those major new programmes which will ensure continued employment for our labour forces later in the decade and into the 1980s, and sustain our exports through a difficult economic period," says Sir Richard Smeeton, director of the SBAC.

"New projects, particularly in the airframe and aero-engine sectors, may well take seven to ten years from drawing board to entry into service, and any delay now could have very serious consequences on the industry's export drive in the 1980s and on its standing capability world-wide."

Giving details of the first quarter's exports, the SBAC said that £80.3m. was accounted for by aircraft and parts, and £85m. by engines and parts.

The heavy incidence of parts in both sections, however—amounting to about £113m. out of the total for aircraft and engines of over £165m.—indicates how much the industry is now relying upon after-sales service and support for products first designed and put into manufacture years ago.

Now, more than at any previous time, the U.K. industry needs new ventures to keep its factories filled in the 1980s—and yet now is the time when the will to start new ventures is being stifled by the threat of nationalisation, which is already restricting investment by the current owners of the industry.

The industry's shareholders, uncertain of just what compensation they are likely to get from the State take-over of their companies, have already begun to halt new investment.

As a result the industry's activity can from now on only decline, until either the nationalisation Bill is thrown out or it becomes an accomplished fact, with the Government bearing the full responsibility for financing the industry.

U.S. captures more of European market

BY DAVID CURRY

BRUSSELS, May 8.

U.S. AIRCRAFT manufacturers have increased their hold on the European civil aviation market and are steadily raising their share of the world market according to the European Commission here.

Reports compiled as working documents to accompany the discussions being arranged on aerospace collaboration in Europe show that last year the U.S. supplied 80 per cent. of the fleets of Community countries and nearly 84 per cent. of those of European countries.

From 1970 to 1974, European manufacturers saw their share of the world market decline by 40 per cent., from 9.5 per cent. to 5.9 per cent., while their share of European business declined from 30 to 16 per cent.

That happened at a time when the relative value of the European fleet—and of those in the rest of the world outside the U.S.—was increasing (by 4.7 and 11.2 per cent. respectively) while that of the U.S. was declining in relative value by 15.9 per cent.

In 1974, Europe's share of the long-haul market for aircraft fell to 2.8 per cent. from 3.4 per cent. the previous year, while in the medium and short-haul market European makers managed to take only 9.3 per cent. of sales against 11.2 per cent. in 1973.

The report notes that in 1972 the declining position of the European industry had been put down to a temporary technological lead gained by the U.S. in new generation aircraft of some two to three years. But it suggests that given the tendency for relative demand to fall in the U.S., stabilise in Europe and grow in the rest of the world, the Community's negative trade balance on new civil aircraft should tend to increase over the next decade.

"It is not enough to say that the size of the European market warrants the existence of a European aviation industry," the report comments. "It is necessary for the industry to take advantage of the size of the market."

It makes the point that the European stake in the long-haul business, given the relatively low value of the old British long-haul airliners, now depends on Concorde.

Since 1971, the Community share of its short and medium-haul airliner market has fallen from 53.8 to 40 per cent., while in other European countries Community manufacturers saw their share decline from 40.2 per cent. in 1971 to 13.9 per cent. —That, it suggests, was because of the replacement of Caravelles by Boeing 727s, 737s and DC-9s.

In the short and medium-haul class, European aircraft now accounted for only 10 per cent. of the value of the world fleet.

Brazil gets more foreign investment

BY OUR OWN CORRESPONDENT

SAO PAULO, May 8.

BRAZIL IS having much more success in obtaining loans on the world financial market than was anticipated here earlier in the year. Foreign loans and investments worth $500m. entered Brazil in April, making a total of $1.4bn. for the first four months.

Exports, too, were higher, reaching $2bn. for the first quarter, with sugar and soyabeans making the largest contributions. Imports were worth $2.8bn.

Despite the considerable inflow of foreign resources, Sr. Mario Henrique Simonsen, Minister of Finance, has said the Brazilian Government will continue its policy of attracting foreign capital with initiatives such as the first International Seminar on Investment in Brazil, to be held at Salzburg, Austria, from May 25-28.

According to official sources, the objective of the seminar is "to give leading representatives of world entrepreneurial circles an accurate and up-to-date account of both the present economic situation in Brazil and its prospects, with a view to creating a favourable atmosphere for investments."

Speakers will include Sig Giovanni Agnelli, of Fiat; Herr Toni Schmuecker, of VW; M. Renaud Gillet, of Rhone Poulenc, Mr. James D Wolfensohn, of Schroeder Bank; and Mr Christopher McAlpine, of Baring Brothers' Bank.

The continuing concern to attract foreign loans and investment to Brazil is partly explained by the considerable balance of payments difficulties that the country is facing, despite its economic success in some sectors.

Last year Brazil had a $6.3bn. trade gap because of an unprecedented rise in imports to $12.5bn. The deficit was mainly covered by foreign loans and financing which totalled $5.4bn.

However, as a result of the sizeable inflow of foreign resources, the country's foreign debt has risen rapidly, from $6.5bn. in December, 1973, to $11.1bn. last December, and to an estimated $13.0bn. at the end of April.

The Minister of Finance has pointed to the risks of that process: "The tolerable limit on our net foreign debt (gross debt minus foreign reserves) is $16bn. Beyond this, Brazil's credibility abroad may be affected."

● A Manchester Chamber of Commerce and Industry delegation left yesterday for Brazil to expand existing markets and develop new commercial outlets. Joint-production ventures will also be discussed.

Baring Sanwa in Singapore

By Our Own Correspondent

SINGAPORE, May 8.

THE British-Japanese joint venture merchant bank Baring Sanwa Multinational has opened a branch office here. It brings the number of approved merchant banks operating in the republic to 21.

Mr. Geoffrey Barnett, general manager of the branch, said the bank's activity in Singapore would focus initially on the corporate finance area, especially since one of the bank's shareholders, Baring Brothers, already had long-standing corporate relationships in Singapore and Malaysia.

Apart from corporate finance, the new branch will also offer advice in connection with new issues, takeovers, mergers, capital structures and reconstructions, together with related underwriting and financial services. However, the bank has no present intention of applying for a licence to operate an Asian currency unit in Singapore.

IN BRIEF

Argentine buyers

Party of 20 Argentine industrialists arrives in Britain tomorrow on a 14-day visit, including executives from the State-owned Military Equipment and Arms Production Organisation whose activities also cover mining and chemicals. The party is sponsored by the Machine Tool Trades Association.

Iran insurance

Bland Payne is to participate in Iran Commercial Enterprises, a new insurance and reinsurance broking concern in Iran.

Kuwait oil funds

Mr. Khaled Abu As-Saud, Kuwaiti Finance Ministry head of investment and banking, says much of the "surplus" oil funds Kuwait will have in 1975 are already earmarked. Local and Arab development requirements, and Government payments such as compensation to shareholders of Kuwait National Petroleum, "will not leave any tangible surplus this year," he stated. Oil revenues will be about $7bn; the Government budget is $3bn; and $4bn is available for the development projects.

Air freight

Hill and Delamain has introduced a weekly air charter service from Hong Kong direct to Lagos, Lusaka and Khartoum, with DC8s and Boeing 707s. It meets demand for Japanese spares and Hong Kong clothing materials throughout Africa.

Export Contracts

WEIR PACIFIC VALVES, Glasgow, attending the Houston Offshore Technology meeting which closed yesterday, announced a $375,000 order for ball valves for the Mica Dam project in Alberta.

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Hoechst's £108m. GDR order

By Leslie Colitt

BERLIN, May ...

HOECHST CHEMICALS, of W. Germany, is to construct turn... chemical plants worth DM6... (£108m.) in East Germany. ... projects are the first under ... long-term economic and techn... co-operation agreement sig... last month between the com... and the German Democr... Republic (this page, April 29).

A Hoechst subsidiary, Fr... rich Uhde, is to build a to... three plants: A chlorine uni... 200,000 tons annual capacit... caustic soda installation to ... duce 220,000 tons; and a ... plant with an output of 10... tons of PVC plastics and 20... of vinyl chloride.

The contracts, which Hoe... says will be finalised sho... mark the largest projects i... GDR to date by the West ... man company, which last... became world leader in ch... cals. The plants in East Ger... are expected to come on st... by 1979.

The West Berlin ... pharmaceuticals concern S... ing, has sold a licence to ... Soviet Union for the produ... of betanal, its weed-killer.

Shering is to deliver the ... agent to allow Russia to pro... 2,000 tons a year of the pr... which is used to rid turni... beet fields of weeds. The ... pany already has gr... licences for producing beta... Czechoslovakia and ... Germany.

U.S.-EEC agr... on agricultura... talks formula

By David Egli

GENEVA, Ma...

THE U.S. and the Eur... Economic Community ... finally agreed on a formula ... cerning the relationship bet... negotiations in the agricul... group of the multilateral ... talks, and negotiations ... concern agriculture in ... groups set up by the ... negotiations committee.

The understanding ... reached in the form of a ... graph to be included in the ... ming-up of the chairman o... agriculture group, which ... failed to resolve the iss... meetings in March and Ap...

On the basis of the for... the wording of which wa... released, it was decided to ... ahead on major agricultur... ducts with a large share in ... trade. Three special sub... were set up: One on cere... meet on May 26; one on ... including live cattle, to m... June 16; and the third on ... products, meeting on Ju... Each will decide its own ... of reference.

The agriculture group ... whole will meet again on J... to prepare a report for the ... negotiations committee.

STRAITS TRADIN... ILMENITE PROJE...

By Our Own Correspondent

KUALA LUMPUR, May ...

Straits Trading has joined ... Malaysian concerns in a pr... to process ilmenite, a minera... product from tin tailings, ... titanium concentrate. The ... pany will hold 30 per cent ... Malaysian Titanium Corpor... which has been formed wi... initial issued capital of £... A plant is being built near ... in Perak state, and trial ... tions will begin in the firs... of 1976.

At full capacity, the plan... process over 100,000 to... ilmenite annually, and pr... about 50,000 tons of tit... rutile concentrates.

Exhibitions

Nor-Shipping 75, the ... national exhibition being ... this week at Oslo, is well-att... despite the shipping in... recession.

Company representative... the various stands say cus... interest, if anything, is g... than usual this year. ... Sankey reports "lots o... quiries," and Whessoe Sy... and Controls say a very sa... tory amount of business is ... done. Harland and Wolf... Scott Lithgow believe the e... tion "is one which Britain ... afford to miss."

AMERICAN NEWS

WHOLESALE PRICES UP 1.5% IN APRIL

WASHINGTON, May 8.

[W]HOLESALE prices reversed [a fo]ur-month decline in April [and] rose by 1.5 per cent. as [food] prices soared, the U.S. [Lab]our Department has [repo]rted.

[Th]e April increase in the [wh]olesale price index, which [equ]alled 18 per cent. at a [seas]onally adjusted annual [rate], was due almost entirely [to th]e sharp jump in prices for [farm] products and processed [food]s and feeds.

[A]n encouraging development [in t]he report was that prices for wholesale industrial commodities edged up by only 0.1 per cent. for the second month in a row and that increase is just 1.2 per cent. at an annual rate.

The department's index rose to 172.1 per cent. of the 1967 average, up 12.7 per cent. from a year earlier. Before adjustment for seasonal factors, the April increase was 1 per cent. or at a 12 per cent. annual rate.

Last month's rise followed declines in December through March which totalled about 2.5 per cent. Prices for farm products rocketed by 6.7 per cent. or at an adjusted annual rate of about 80 per cent. while prices for processed foods and feeds increased 3.5 per cent. or 42 per cent. at an annual rate.

These increases resulted in a 4.8 per cent. overall rise for wholesale food. In the previous four months these prices had fallen substantially and had pushed the overall index downward during those months.

AP-DJ

[D]ismal U.S. car scene may [p]rompt more cutbacks

[B]Y GUY DE JONQUIERES

NEW YORK, May 8.

[THE] ABYSMAL performance of [the] U.S. new car market over [the] past two months is now [rais]ing serious doubts in [Detro]it as to whether the hoped-[for] spring sales recovery will [mate]rialise, and once again [there] is growing talk of production cutbacks.

[La]te yesterday Ford Motor [anno]unced that it will close most [of it]s U.S. plants for two weeks [in J]uly, instead of following its [usua]l practice of staggered [closu]res during the summer [holid]ay period, and is also [repo]rted to have trimmed its [May] and June production [sched]ule by from 20,000 cars or [on]ly 5 per cent.

[Ac]cording to the Wall Street [Jour]nal, Chrysler, which [rece]ntly cut planned second-[quart]er output by 5 per cent. is [consid]ering more drastic moves [simil]ar to those taken last [wint]er.

[It] is said to be studying a con[tinge]ncy plan involving the [clos]ure of up to four of its six [U.S.] assembly plants for six weeks at a time during the summer, should sales fail to pick up.

A Chrysler spokesman flatly denied that any such moves were planned. However, only last November, the company emphatically denied rumours that it was planning to close almost all its factories for several weeks, only to announce just such measures a few days later.

The industry has not abandoned all hopes of a first-half upturn, and General Motors in particular remains outwardly confident about the prospects. But if Detroit's expectations are to be met, even the most optimistic observers admit, the market will have to bounce back in May and June with even more vigour than anticipated.

Sales of U.S.-made cars were running 26 per cent. below year-earlier levels in April, and during the last ten days of that month they were off by more than 30 per cent. Unsold stocks, while still well below their peaks of last November, have been rising and are now above normal in many cases.

Several manufacturers are counting heavily on promotions to boost sales in the coming weeks. General Motors is organising intensive sales contests among its dealers, and Chrysler has reinstated a price-rebate programme similar to those adopted by all manufacturers earlier this year.

This morning Mr. Henry Ford II, chairman of Ford Motor, told the shareholders' meeting that the company expects to be back in the black during the second quarter, after making a first-quarter loss of $105m. which was reduced through an accounting change to a reported loss of $11m.

Mr. Ford struck a note of guarded optimism, stating that car sales had been improving slowly since last November's trough, and that general economic conditions and consumer confidence were also on an upward trend.

Ford annual meeting Page 24

[N]ew York [m]ay get [f]ederal aid

[B]y Jay Palmer

NEW YORK, May 8.

[SE]NIOR FORD Administration [off]icials appear to have finally, [if] reluctantly, accepted the [ar]gument that massive federal [ai]d is the only long-term, and [in]deed short-term, answer to [N]ew York City's worsening [fi]nancial crisis.

Following a series of top-[l]evel meetings yesterday be[t]ween City and State officials, [p]rominent New York City [b]ankers and senior Treasury [ai]des, the Treasury has started "an urgent review" of the [ci]ty's problems and the various [po]ssible ways of injecting [fe]deral money.

While similar meetings have [be]en frequently held over the [pa]st few months, yesterday's [se]ssion was the first attended [by] top echelon executives of [the] city's most prominent [ba]nks.

While all attending—inclu[din]g David Rockefeller, chair[ma]n of Chase Manhattan, the [pre]sident of First National City [Ba]nk, and the chairman of [Mo]rgan Guaranty—refused to [com]ment on the proceedings, it [is] understood that they unani[mo]usly stressed the financial [co]mmunity's growing reluc[tan]ce to make any further [loa]ns to the city.

[F]ollowing the meeting, [Wi]lliam Simon, the Secretary [of] the Treasury, said that "no [dec]ision on any specific course [of] action has yet been taken."

[R]efusing to discuss the latest [rep]orts of the acuteness of the [cri]sis, Mr. Simon did reveal his [ow]n increasing concern about [the] city's problems and the [eff]ects of this on the financial [an]d markets.

[Bu]t even if the Federal [Gov]ernment has now accepted [the] need for direct aid, it still [fac]es an acutely difficult prob[lem] in deciding how to grant [it]. While special Congressional [fun]ding would be the most [app]ealing solution, this would [tak]e far too long to complete [and] would also leave the Trea[sur]y, the Administration and [Con]gress open to political [pre]ssure to provide other cities [wit]h similar help.

[O]ne possible solution, clearly [fav]oured by the Government, [cou]ld be for the funding to [com]e via the Federal Reserve [Boa]rd's seldom-used emer[gen]cy lending authority. While [suc]h funds are only officially [gra]nted in a "dire emer[gen]cy" (the last occasion was [in] the 1930s) it would only [req]uire the approval of five [of t]he seven members of the [Fed]eral Reserve Board and [cou]ld not in any way be sub[ject] to specific approval by [Con]gress.

[U]ruguay axes [s]ecret group

MONTEVIDEO, May 8.

[URU]GUAY'S military-backed [gov]ernment has broken up a [clan]destine movement support[ing] outlawed urban guerillas [and] arrested 53 of its members, [acco]rding to an announcement [last] night.

[A] Government statement [bro]adcast on radio and televi[sion] said the movement was an [off]shoot of the Left-wing "26th [of] March" political group [fo]unded in 1971.

[T]he movement was later [tak]en over by Tupamaro [gue]rillas who carried out raids [and] kidnappings during the [earl]y 1970s, the statement [add]ed, but the Tupamaros have [not] been active recently.

[Reu]ter

Cuba-U.S. talks 'if trade ban eased'

HAVANA, May 8.

CUBA COULD open talks with the U.S. in return for a lifting of the trade embargo on essentials, Prime Minister Fidel Castro said here last night.

"We are neighbours and we owe each other to live in peace," he told reporters accompanying U.S. Senator George McGovern on a visit to the island.

The Cuban leader said that the situation was more favourable now than under former President Richard Nixon, who had "a personal hostility" towards Cuba. He also said that it had been difficult to improve relations while the war was going on in Vietnam.

Dr. Castro said that Cuba could not negotiate under pressure but could sit down and talk if the embargo were lifted on essentials. He suggested a lifting of the ban applying to food and medicine. "It is in the interest of the Cuban people to better relations with the U.S. I think it is in the interest of the American people," he added.

Asked about his attitude toward the Organisation of American States (OAS), which is meeting in Washington to-day, Dr. Castro said that it had played "a rather sad part in the hemisphere as an instrument of American domination." Cuba had no intention of getting back into the Organisation, he added.

The bearded Cuban leader, in his usual olive green battle dress, stood for 45 minutes among American newsmen at the Palace of the Revolution, before dining with Senator McGovern.

Dr. Castro acknowledged "small steps" from the U.S., such as the easing of travel restrictions on Cuban diplomats at the United Nations. But he said a more significant gesture was necessary.

He recalled that U.S. Secretary of State Henry Kissinger had announced his intention of improving relations with Havana. Dr. Kissinger recently said that Washington would reconsider its policy toward Cuba if the OAS lifted the 1964 economic sanctions against the Castro Government.

● Senator George McGovern said to-day that Premier Fidel Castro has agreed to consider returning $2m. in airline hijack ransoms and the possible release of nine American prisoners on the island as gestures toward better relations with the United States.

Agencies

Grenadan PM threatens to sue Britain over aid

BY OUR OWN CORRESPONDENT

PORT OF SPAIN, May 8.

MR. ERIC GAIRY, Prime Minister of Grenada, has threatened to take Britain to an international court because of its alleged parsimony over aid funds.

Mr. Gairy, who was in Trinidad to attend the 16th session of the United Nations Economic Commission for Latin America (ECLA), added that he would also take the question of Britain's treatment of Grenada, which became independent 14 months ago amidst civil unrest, to the United Nations.

Describing British rule of Grenada over 191 years as "worse than Hitler has been accused of," Mr. Gairy said that his case against Britain was based on "economic rape" of Granada while the latter was a British colony.

Mr. Gairy came to Trinidad from the Commonwealth summit conference in Jamaica where he was said to have embarrassed his Caribbean colleagues by attacking British Prime Minister Harold Wilson for Britain's attitude in relation to an independence gift of £100,000.

British Foreign Secretary James Callaghan said later that Grenada did receive aid from Britain but had diverted it to unauthorised areas.

Bolivia queries oil bribes

LA PAZ, May 8.

BOLIVIA has given the United States Gulf Oil Company 48 hours to explain allegations that it might have bribed Bolivian officials, an official communique said here.

The communique, issued after a special Cabinet meeting last night, said the Government would stop compensation payments to the company for installations expropriated in 1969 if the "serious accusation" was not answered. This follows a similar demand by Venezuela last Tuesday.

The Wall Street Journal reported from Washington last week that Gulf officials told Securities and Exchange Commission officials that the company had paid about $4m. to officials of an unnamed foreign government to protect the company's interests. It said Gulf refused to name the country as this might endanger these interests, but the newspaper indicated a Latin American country was involved.

The Bolivian communique said the Government would ask the U.S. Government to investigate the allegations.

Reuter

Tough Canadian line on Sea Law

GENEVA, May 8.

CANADIAN Foreign Minister Allan Maceachen said to-day that Canada insists on complete sovereignty over fish and seabed minerals out to 200 miles from its coast. He said that Canada also claims sovereignty over its continental margin which in some areas extends as far out as 650 miles.

The Canadian position expressed at the penultimate day of the eight-week UN Law of the Sea Conference resembles that of Latin America as well as some African and Asian nations. Those countries claim a 200-mile territorial sea and, while Canada goes along with United States and Soviet proposals for a 12-mile territorial limit, its sovereignty claims out to 200 miles amount to about the same thing.

The 150-nation Sea Law Conference has been able to reach only one concrete agreement and that is to meet again in New York early next year.

U.S. AVIATION

The pistol-toting outsider

BY MAURICE IRVINE IN OAKLAND

THE DEBACLE of Indochina has at least thrown up one new, if rather improbable, American hero in the person of Edward J Daly, 52, who, having earned some $400m. by flying men and supplies into the war theatre since the mid-Sixties, spent $1m. of it in flying out as many Vietnamese as he could before the end.

Mr. Daly, the head of World Airways—known in some Government circles as "Air Upstart"—was aboard one of his Boeing 727s when it made that horrifying last flight from Da Nang. He swapped blows with young soldiers trying to fight their way on to the aircraft, while people clung to the wheels on take-off—a spectacle that brought home to television viewers around the world the panic and despair of the South.

He got the refugees to safety and appeared in Saigon, where he undertook to fly 300 orphans to the U.S. at his own expense, at the same time handing out urgently-needed cash to refugee organisations. This time, before Mr. Daly's DC8 could get airborne, the local bureaucrats declared it "unsafe"—it lacked seats, seatbelts, oxygen masks. Besides, a Vietcong attack was expected and runway lights had been turned off, so it must not leave.

Daly defiantly went ahead. Somehow he had smuggled 58 children aboard, and was to be seen, on the long flight to World Airways' base in Oakland, California, helping with nappy changes. Other flights followed, including one in which he personally took charge of 211 Montagnard children, bound eventually for a refuge in Denmark. He has perhaps been lucky in his risk-taking—a C5A crash outside Saigon which killed 206 in another "orphan flight," occurred because, in the hasty take-off, a cargo door had not been properly secured.

Right on!

At all events, World's gravel-voiced president, who packed a pistol on his Indochina flights and wears a paramilitary beret, suddenly became a media celebrity. "Breathes there an American with soul so dead," inquired one syndicated columnist, "who hasn't to himself said, Right On, Ed Daly!"

Actually, there are a few. Daly charges that the Defence Department cancelled his contract to fly food into Cambodia "within hours" of his chart[er] forecast, some weeks ago of the fall of Saigon. He fired off an outspoken cable to President Ford, with copies to the Cabinet and all 50 State Governors. The cancellation was very abrupt: World was left without [...] $22m. worth of aircraft and equipment—but the [...] argued later that Daly had been given "enough time" to fly his aircraft back to Oakland, and that the action had been taken because World had no airdrop facilities.

In the midst of all this, Daly has not been neglecting the home front. He has jumped with both feet into the current air fare war in the U.S., with his bid to start a new coast-to-coast service for only $89. This has upset the major carriers, who charge at least twice that—the minimum before taxes is $180—and who are losing horrendous sums due to recession and soaring fuel prices. (Pan Am has just announced its worst quarterly deficit in history—$59m.) First, World needs Government approval and certification as a scheduled carrier and some angry rivals have suggested it might be using the Indochina publicity to boost its cause—an unworthy, but not untypical, thought in today's cut-throat fight for passengers.

Daly predicts his cheap fare (including meals and . drinks service) will bring back what was called "the air age," by doubling the number of families who can still afford the trip. Few of his competitors believe the Civil Aeronautics Board will approve, and all intend to fight it, but in the present spree of "no frills" fare discounting, with one airline listing 20 different prices on the Los Angeles-New York run, anything is possible.

Certainly World Airways could use the business. Without its Defence Department income (which topped $50m. a year at the height of the war), Daly could be in trouble this year. He owns 81 per cent. of World's stock, and, as president of the fleet of 11 jet aircraft which must now rely chiefly on commercial charter flights for revenue, he is already making cost-reduction cutbacks to offset losses. In 1973, the airline had an operating loss of some $10m., while last year's losses were masked by the sale of Daly's First Western Bank, which he had been obliged to sell under a new company act requiring separation of bank ownership from other kinds of business. The chain of 98 Californian branches was bought by Lloyds Bank of London for $115m. That gave a net profit of $21.2m. for the year, on revenues of $112.2m.

Clouded

If the outlook seems clouded, Ed Daly is not the sort of man to lose sleep over it. He took over World when he was 27, shortly after the Second World War, in which he served as an army sergeant. He had saved $50,000, the airline had two war surplus transports and debts of $250,000. Under Daly, an able and relentless taskmaster, World was one of the few among many tiny airlines started by GIs with their mustering-out pay, to survive fierce competition and Government investigation of their safety standards.

In 1956, the aircraft flew from California to bring thousands of refugees out of East Europe after the collapse of the Hungarian uprising. Later, after accidents some at home among non-schedulde carriers, the Government introduced restrictions on charter aircraft. This action, however, made Daly's fortunes when the U.S. went into Vietnam in the early 1960s, and the Pentagon, after some arm-twisting by the airline industry, agreed to use commercial aircraft for military cargo. The air companies would get the contracts if they dropped their opposition to a Bill allowing the military to buy its own Jumbo transports. The outcome was that while empty military cargo aircraft went about the skies on "training flights" for the sake of the exercise, the Pentagon paid commercial carriers to do the work.

"Supplementals" such as Overseas National, Saturn, and others, grew rich—none more so than World, which also branched out into low-cost charter flights to Europe. Regular carriers like Pan Am and TWA lost a big slice of the market, and could not recoup by raising their fares without further widening the yawning gap between a charter ticket and their own. "I don't disagree," says Daly, leader of this travel revolution, "when people call me the Woolworth of air transport."

Now he would like to secure the title with his $89 transcontinental fare. Should he succeed, no doubt other air bargains, possibly even transatlantic ones, will follow.

EUROPEAN NEWS

Once there were Two, now there are Nine

PARIS, May 8.

"THE FRENCH Government proposes to place the whole of Franco-German coal and steel production under one joint high authority, in an organisation open to the participation by other countries of Europe."

With these words, spoken at 6 pm on May 9, 1950, French Foreign Minister Robert Schuman laid the foundations for the European Economic Community.

To mark the 25th anniversary of the declaration the French and West German presidents will meet to-morrow in the same ornate Salon de l'Horloge of the French Foreign Ministry where M. Schuman unveiled his ambitious plan to about 100 journalists at a hastily arranged Press conference.

French President Valery Giscard d'Estaing and West German President Walter Scheel will both address the anniversary assembly of ministers and other top officials of the nine EEC member States.

The Schuman plan, launched five years after the capitulation of Nazi Germany, led to the signature on April 18, 1951, of the Treaty of Paris establishing the European Coal and Steel Community.

Six countries — France, West Germany, Italy, Belgium, Holland and Luxembourg — signed the document which paved the way for the more comprehensive Rome Treaties setting up the EEC and Euratom on January 1, 1958.

M. Schuman is now referred to with mock seriousness at EEC headquarters in Brussels as Saint Schuman.

Reuter.

Peking to recognise EEC —trade agreement likely

BY REGINALD DALE, COMMON MARKET CORRESPONDENT — BRUSSELS, May 8.

CHINA HAS decided officially to recognise the European Community and has reacted positively to an offer of a trade agreement with the EEC. The breakthrough in diplomatic and commercial relations was announced by Sir Christopher Soames, Commission vice-president of external relations, at a Press conference in Peking today.

The Chinese, who have long been supporters of European integration as a counterweight to the U.S. and USSR, have thus become the first major communist country to grant official recognition to the Community. China is also the first state-trading country to respond favourably to the Community's recent offer of trade agreements.

Moscow has still not officially recognised the Community, although negotiations have started between the Community and Comecon, implying at least *de facto* recognition in the Community view. Among the East European countries only Yugoslavia has a trade agreement with the Community, although there are agreements at technical level with Poland and Rumania.

Sir Christopher, who arrived in China at the end of last week, discussed future relations between China and the Community with Chinese Premier Chou En-lai. Afterwards, he told a Press conference that China would officially accredit an ambassador to the Community in Brussels.

Sir Christopher said he had already started discussions with the Chinese authorities on the scope of a possible trade agreement, and talks would now continue in Brussels. The groundwork had already been laid for further contacts, he said, after which the Commission would request a formal negotiating mandate from the nine member governments. He welcomed "unreservedly" the Chinese decision to recognise the Community.

In a speech in Peking yesterday, Sir Christopher carefully emphasised aspects of the Community likely to appeal to his hosts. The Community's relationship with the U.S. was not one of constraint which subordinated one partner to the other—indeed one of the chief purposes of the Community was to give its members greater weight in its dealings with the U.S., he stated.

He also emphasised the importance of the Community's new links with the developing world under the Lome convention signed earlier this year—an agreement that the Chinese have viewed as a highly significant move in strengthening relations between the "second" and "third" worlds. In the Chinese view, Western Europe belongs to the "second world," consisting of industrialised countries apart from the two super-powers.

Although individual European countries had a colonial past, the European Community as such, had neither a colonial past nor colonial ambitions, Sir Christopher pointed out.

Eastern Europe cool to Community overtures

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE EAST European countries have rejected the EEC's offer of trade negotiations as inadequate. However, they have hinted that they will continue high level discussions aimed at normalising basic relations between Comecon as a group and the EEC.

This now appears to be the position several months after the first contacts between the two organisations were made. But because the individual East European countries still do not recognise the EEC (some have even denied any knowledge of an EEC offer to talk about trade), their views have had to be pieced together from private remarks and oblique public statements.

Last November the EEC told Comecon countries that it was ready to negotiate trade liberalisation and extend Most Favoured Nation treatment. But there were to be no unilateral concessions or immediate and total abolition of quotas, applied by the EEC to protect itself against State controlled economies.

Brussels got no acknowledgement of the offer made in the form of specimen agreements, and is now not expecting a reply. But Comecon has made its response known through attacks on EEC trade policy.

The Czechoslovak Deputy Premier Rudolf Rohlicek, recently wrote in the Prague newspaper Tribuna that specimen agreements were designed to split Comecon apart and place individual members at a disadvantage in relations with the EEC. He implied that the principle of negotiations between Comecon members and the EEC as a whole could not be conceded.

However, the hard line put out by Mr. Rohlicek, who represents his country on Comecon, has not been universally echoed. Other East European sources have hinted that a more generous offer from the EEC could seriously have embarrassed Comecon. An offer to negotiate complete abolition of quotas, for instance, might easily have split the grouping into those who really want trade with the EEC (mainly the smaller states) and those who stick to Moscow's political line.

Meanwhile, Brussels has received no formal reply to its invitation to Comecon to continue the talks opened in Moscow last February aimed at establishing direct links between the two organisations. But hints have been dropped that a Comecon delegation will soon accept an invitation to pay a return visit to Brussels.

However, with the EEC currently in some disarray, the Russians probably see no reason to hurry, especially if the Community stands a chance of losing a major member. And East-West trade seems to be managing all right in the context of Gatt now that bilateral links have been abolished by EEC rules.

PLANNING IN FRANCE

Think tank in the Midi

BY RUPERT CORNWELL, IN PARIS

VALBONNE is the latest dream of the French planners. Their aim is no less than to create on 10 square miles of stunningly beautiful hillside behind the Cote d'Azur an idyllic new park city where research departments and top management from industry and academia can assemble, to turn this tiny corner of the Alpes Maritimes into one of the world's leading centres of applied brain power.

The name devised for the scheme says it all: Sophia Antipolis, from the Greek word for wisdom, and the Graeco-Roman name for the modern resort of Antibes, whose gentle charms lie 10 minutes' drive away, hidden by a fold of pineclad hills. The site could not be more perfect. By some miracle, apart from the odd elderly villa, the Valbonne plateau is totally unscathed by the urban sprawl that now passes for the coastline between Nice and Cannes.

Six years after the idea first came to M. Pierre Laffitte, Director of the high-powered Ecole des Mines in Paris, the dream is becoming reality. It has long had the support of the powerful regional planning agency DATAR and its head, M. Jerome Monod, but the biggest step forward so far came this spring. On a brilliant morning the Interior Minister, M. Michel Poniatowski, who is responsible for the country's regional policy, presided over the opening ceremony of the 50 acre site, which from the end of 1977 will house the central computer reservation system of Air France.

The airline is by no means the first to venture on to this practically virgin soil. Franlab, an oil industry research unit, has already started operations. Work on the building that will house the research division of the French subsidiary of the U.S. chemical company, Rohm and Haas, is nearly complete, while Rank Xerox and the cosmetics group l'Oreal are on their way. The Ecole des Mines will move part of its activities there, and other public bodies and institutes, as well as the University of Nice have promised to do likewise.

But it is the arrival of Air France that has made the difference. Not so much through the size of the investment (Frs.180m. or £18.6m.), but because the very presence of such sophisticated equipment should lay to rest any fears that newcomers might find themselves in a gilded cage, cut off from the outside world by the chronically bad French telecommunications. Indeed, as a gesture of good faith, the much-revilled PTT will itself install a post-graduate training section at Valbonne.

> No one wants to see Sophia Antipolis end up as some kind of Massachusetts-Institute-of-Technology-sur-mer.

On to the research and management core there will be grafted a zone for light and non-polluting industry and carefully landscaped housing for up to one third of the 35,000 people who should one day be working at Valbonne. Both DATAR and the local Nice authorities are emphatic that the architects must respect the natural splendour of the site, and want it to serve, even when completed, as an unspoilt park for the local people, who are mostly crowded into the narrow coastal strip. But as one official involved points out, "the quality of the people we attract here, rather than of the site, is going to make or break Sophia Antipolis."

The trouble of course is that in a period of world-wide recession, beggars cannot be choosers. Some companies that would have liked to come cannot, perhaps, afford it, and to keep Valbonne credible, firm commitments have had to be won, even at the cost of accepting schemes which were not up to the standard envisaged. Men from the Nice Chamber of Commerce, deeply concerned with the project, point with some dismay at the rather obtrusive contribution of Rohm and Haas. Better loved is the flat elegant Franlab block, scarcely visible through the pines from 50 yards down the road, and the signs are that after Air France new candidates, both French and foreign, will be vetted even more carefully.

It has been the Americans who, after the French, have made most of the running. The concept was pioneered in the U.S., and M. Laffitte admits that his idea was prompted in part by what he had seen at Palo Alto, a research centre attached to the University of California at Stanford. Moreover, both IBM and Texas Instruments—the latter with its entire European headquarters—have long since been happily installed just a few miles away. But the popularity might become too much of a good thing; no one wants to see Sophia Antipolis end up as some kind of Massachusetts-Institute-of-Technology-sur-mer. The British have been cool, despite lobbying with the CBI. "It must be your economic problems," said a DATAR man sadly.

Local worries, though, seem to have been mostly assuaged. There is some irritation over compulsory purchase powers and doubts that the beauty of the plateau will be preserved. But the alternative was probably worse in the long run—the gradual encroachment of the *coastal mess on to the untouched* hinterland.

Otherwise Sophia Antipolis seems an almost unmixed blessing. For Nice and the department, which has hitherto lived mainly from tourism and the building industry, it offers the chance of a new identity as a technology and research centre of world-wide fame. That can only boost the morale of a region where the overbearing shadow of Paris has always seemed remoter than in most other parts of France. And although the arrival of workers from elsewhere will do little immediately to reduce a 5 per cent. local unemployment rate, the city fathers are confident that the spin-off will generate new jobs.

For the Government, which is putting up as much as 20 per cent. of the cost to firms moving to Valbonne, it is a complement to the decision to cut by 40 per cent. new office permits in the capital. Also, as M. Poniatowski points out, the scheme is a signpost to the new France where four of every five jobs created will be in the tertiary sector.

So, will the gamble come off? For the local authorities, which are paying the bulk of the Frs.800m. required for the infrastructure of roads, drainage and water, the answer must be yes. Most remaining doubts have been silenced by the way in which the Government leant on Air France to part with a much-needed Frs.180m. in a bad year for air travel. What they have done once, they can do again.

The existing attractions of the region can only help. Nice is a cosmopolitan city, well endowed with road and rail links, as well as the second largest airport in France with flights to 35 foreign countries, only 15 minutes away from Valbonne by motorway. The airport is being extended, to increase its capacity to 10m. passengers a year from the present 2m.

The great unknown is whether the companies that go will get their money's worth; whether, that is to say, researchers research better amid the serene vistas of Provence than in a grimy suburb of Paris, and whether the much-touted "cross-fertilisation" between university and industry will in fact take place. "The setting certainly does not do any harm," M. Laffitte says archly—and there is surely no lack of people who will want to prove him right.

Brezhnev sees closer U.S. ties after war

BY DAVID LASCELLES

IN HIS first public comments on Indochina since the fall of Saigon, the Soviet leader Mr. Leonid Brezhnev yesterday said he hoped the outcome would help improve relations between his country and the U.S.

Addressing a Moscow rally held to celebrate the 30th anniversary of VE Day, he began his remarks about Indochina by welcoming the Vietcong victory and paying tribute to their long liberation struggle.

He went on: "The elimination of the hotbeds of war in Indochina creates the conditions for a further improvement of the international atmosphere. This will bring benefits to the cause of international detente including, *as we hope, detente between* our country and the United States of America."

So the Kremlin's foreign policy based on detente is to continue as before, and once again it is Mr. Brezhnev who has reaffirmed his country's course. But both his remarks yesterday *and the Soviet Union's general* reaction to Vietnam seem to have been governed by the danger of America's reversal in Indochina producing side effects that could damage detente.

Apart from a message of congratulation from Mr. Brezhnev to Le Duan, the leader of the Vietnam Workers' Party, the Russians have largely played down events in Indochina, and made few direct references to America's role there. Mr. Brezhnev yesterday referred only to "foreign interventionists and their henchmen." All this seems to confirm that Moscow has been anxious to avoid embar*rassing Washington at what it* well understands is a difficult time.

But judging by the positive tone of Mr. Brezhnev's speech the Kremlin is even keener to prevent the U.S. retreating into isolationism because this could actually reverse detente, and even lead to a stronger U.S. commitment to defend Europe.

Another cause for Soviet concern in the aftermath of both Vietnam and Cambodia is what China will make of the new situation. Mr. Brezhnev made no mention of this yesterday, but Soviet commentators have attacked China's role in South-East Asia in the last few days with the evident aim of preventing Peking getting any of the credit for communist victories, and extending its influence as a result.

Kosygin for Tripoli, Tunis

BY OUR OWN CORRESPONDENT

MR. ALEXEI KOSYGIN, the Soviet Prime Minister, will visit Libya and Tunisia this month, it was announced in *Moscow. No dates were given.*

The visit to Tripoli is being made in return for the visit to Moscow last May of the Libyan Prime Minister, Major Jalloud. But surprise was being expressed yesterday at the timing of the visit which comes just as a fresh quarrel has broken out between Libya and Egypt. In spite of several invitations, no Soviet leader has paid a recent official visit to Cairo, and it would not be in the Kremlin's interests to be seen taking sides.

The aim of Mr. Kosygin's visit may be to acquaint the Arabs with the Soviet position on the Middle East after the latest round of consultations with Iraq, Syria and Egypt. The supply of arms may also be raised.

May vote for Turkish Cypriots

By Metin Munir

ANKARA, May 8.

THE Constitution of the "Turkish Cypriot Federated State" will be submitted to a referendum on May 18 and a general election will be held six months later, according to informed sources here.

Both acts are designed to legitimise the de facto establishment of the Turkish Cypriot "State" in the North of the island last February.

The Constitution, which is virtually certain to be accepted, establishes a Parliamentary democracy and a presidential system. A federal assembly of 40 members to be elected by citizens over 18 is envisaged with those eligible for election to be over 25. The President, who will be elected by a separate vote and will be more than 35, will be a non-party member. He will name a Prime Minister from among assembly members and ratify the 10-member Cabinet list.

The Greek Cypriots still uphold the 1960 constitution which was adopted at the end of British colonial rule and do not recognise the Turkish federated "State." However a joint committee is to begin dicussions in the island on the future constitutional status of Cyprus.

Our Athens Correspondent writes: Greek Premier Constantine Karamanlis will attend the Nato summit conference in Brussels later this month, thus paving the way for possible agreement with Turkey on the disputes dividing the two countries and the normalisation of relations with the U.S. *Mr. Karamanlis is expected to* meet U.S. President Ford and Turkish Prime Minister Suleyman Demirel.

Our Nicosia Correspondent writes: The Cyprus Central Bank has set up a special fund which will issue building loans under favourable terms. The aim is twofold: to provide employment to thousands of building workers who have been made jobless following the war last year, and to ease the acute housing problem by accommodating some of the 200,000 refugees now living under canvass or makeshift shelter.

Lisbon attack on 'divisive forces'

BY JANE BERGEROL — LISBON, May 8.

THE PORTUGUESE Communist Party's Central Committee, in a communiqué to-day that points up the nation's current political unease, referred pointedly to "those who wish to divide the working class movement, to split democratic forces and to create divisive issues in the Armed Forces Movement (AFM)."

This was just short of an open reference to the April 25 election successes of the Socialists and Popular Democrats, which have shown the AFM the Portuguese people's clear desire for democratic civilian Government.

The movement is known to-day to be deeply divided between those who feel the politicians should soon be allowed a substantial say in government—after legislative elections—and those who want a continuation of firm military rule, some of whom adopt this tactic as a means of continuing to give support to the Communist Party itself.

Meanwhile, the military explained unusual troop movements yesterday as due to transfers of certain army units, two of which came to Lisbon. There is once again a feeling of tension in the air, and the Communist communiqué referred to "new reactionary attempts to hinder the revolutionary process."

Yesterday, the Supreme Revolutionary Council saw representatives of all four coalition Government parties, in an attempt to resolve differences between the Socialists and Popular Democrats on the one hand and the Communists and MDP-CDE on the other.

By calling unequivocally for free union and town council elections, the Socialists and PDP have regained the political initiative, put the AFM in a tight spot since it is divided on both issues, and shown the military *quite openly* that government by decree is nearing the end of its lifespan.

Increasingly, those officers in the AFM, who want firm military rule, have realised the significance of the April 25 elections and regard the whole exercise as a terrible mistake.

Fourth Spaniard shot

BY ROGER MATTHEWS — MADRID, May 8.

ANOTHER MEMBER of Spain's security forces was assassinated late last night—the second within 24 hours and the fourth since the end of March.

The latest victim, a 51-year-old police inspector, was hit by six bullets fired at close range as he was about to enter the block of flats in which he lived in the centre of Bilbao.

Responsibility for the attack has been laid officially at the door of the Basque separatist organisation ETA, whose activities provided the reason for the introduction of a State of Emergency in the provinces of Viscaya and Guizpucoa 12 days ago. ETA has been accused of the murder of a member of the para-military Guardia Civil in the town of Guernica on Tuesday night.

Lieut-General Vega Rodriguez, recently returned from a visit to Chile where he had talks with the Chilean President, General Pinochet, has arrived in Bilbao to look into the situation. As head of the Guardia Civil and the third ranking military officer in Spain, he is expected to report to the Cabinet on the security position in the North of the country.

The Cabinet meets to-morrow morning under the Head of State, General Franco, and is certain to discuss what further measures can be taken to stem the activities of ETA.

It is thought that the Government will be reluctant to introduce martial law, the next constitutional step open to it.

New EEC shipbuilding aids plan

By Reginald Dale.

BRUSSELS, May 8.

THE EEC Commission has toned-down proposals for limiting state aids to shipyards to take account of objections from member States, particularly Britain and France. Its earlier proposals, of October 1973, clearly had no chance of being adopted by the Council of Ministers.

The U.K. objected to a demand for prior notification to Brussels of aids to investments of more than 4m. units of account (ua)—about £2m.—and was also concerned that the earlier draft directive would restrict government aids for the construction of oil rigs. The Commission has now dropped all reference to oil rigs, raised the 4m. ua figure to 5m. ua and is asking for notification only every six months.

The new directive also drops a proposal that direct aids for ship construction should be limited to no more than 4 per cent. of the order price this year, proposing instead that existing aid levels continue until the end of 1975, after which aids to construction must cease. Sales and export credit aids will be allowed provided they respect rules internationally agreed in the OECD last July.

Otherwise, aids must conform with existing Rome Treaty rules, the Commission says. However, France, Italy and Ireland will be given until the end of 1977 to phase out aid programmes under certain conditions.

Commission officials said the new proposals should not mean that aids currently given would suddenly become illegal. Britain is in any case phasing out construction aids.

Italian law-and-order Bill near approval

BY ANTHONY ROBINSON — ROME, May 8.

THE LOWER House of the Italian Parliament has finally approved a controversial law-and-order Bill aimed at giving police and magistrates greater powers of search and arrest in an attempt to combat the growth in both political violence and other violent crime.

The Bill now has to be approved by the Senate, but this is expected to be a rapid process because the Bill has already been amended heavily from the original draft following intensive negotiations between the four Centre-Left parties and the Communist opposition.

Law-and-order is one of the major themes of the regional election campaign now under way for the June 15 elections, and most of the controversy that has surrounded this Bill concerns fear that it would be exploited for electoral purposes. In the event all the major parties have shown a fairly pragmatic attitude, and the new law appears to do little more than marginally tighten up existing regulations.

The Socialist Party in particular has insisted that the arrest and detention without bail provisions be extended to cover offences under the Scelba Law, which bans the reconstitution of Fascism. However, in spite of this the neo-Fascist MSI voted for the new Bill, although its own amendments calling for widespread police powers of arrest were overwhelmingly rejected. But the police do have wider powers under the Bill to arrest and search suspects for arms or other violent implements and keep them in jail without bail.

In spite of the Bill the wider problems connected with law-and-order remain. The real problems remain those of reforming and modernising the prison system—which is widely recognised to be a sort of university of crime where drugs circulate and Mafia elements impose their own laws—speeding up the administration of justice, and reforming both the methods of police training and the military-style discipline of the police force, which has remained largely unchanged since Fascist times.

Unrest within the police is a major pre-occupation of all the political parties and one of the most difficult problems concerns growing demands for the Right to organise a police trade union.

Reuter adds: The Communist Party is set to make gains in regional elections, according to an opinion poll published to-day and in the weekly l'Espresso.

The Communist Party would gain 2 per cent. compared with the last regional elections in 1970. However, the poll also showed that more votes would go to the Christian Democrats—who have headed every Italian government since the war—than to any other party.

The poll, conducted by the Italian opinion institute Demoskopea, said 17.2 per cent. of those asked said they would vote Communist.

Laos sends peace team to settle fighting

VIENTIANE, May 8.

THE Laotian coalition Government to-day sent a team representing both its rival factions with orders to halt a reported new advance towards Vientiane by the pro-Communist Pathet Lao.

The team left this morning for an area where military sources reported the Pathet Lao had seized a new position and were threatening a provincial capital. The area is 60 miles north of this national capital.

Both members of the rival Pathet Lao and right-wing Vientiane factions were in the team, which was also ordered to prevent the forces of the Vientiane side from moving on existing Pathet Lao positions. The military sources said the Pathet Lao troops captured a position on the main road near the provincial centre of Vang Vieng yesterday.

The Government announced that the Pathet Lao's leading member of the coalition, Foreign Minister Phoumi Vongvichit, had called on his side to stop military operations and return to former positions.

The coalition appealed for general calm and also banned public demonstrations next Sunday, Constitution Day. A parade and celebrations have been cancelled.

Reuter

Kevin Rafferty, Asia Correspondent, adds: The Communist Pathet Lao stepped up their propaganda war on Thursday with an allegation that Thailand was giving its backing to coup attempts by "the ultra Rightists."

According to Pathet Lao radio reports monitored by the BBC the Laotian Defence Minister, Sisouk Na Champassak, last week got together with some of his friends to oraganise a coup. The Communist radio claimed that according to some of its reports of the planning the Thais had agreed to lend warships and artillery in support. In any case, it alleged, the "ultra Rightists" were bringing troops through Thailand.

Lebanese PM may quit after ministers resign

BY IHSAN HIJAZI — BEIRUT, May 8.

LEBANESE Premier Rashid Al Solh is expected to submit his resignation to President Suleiman Franjieh to-morrow after six of his Ministers resigned last night in disapproval of his handling of last month's clashes between members of the Right-wing Phalangist Party and Palestinian guerillas.

Mr. Al Solh said he will discuss the whole matter of the resignations with Mr. Franjieh to-morrow, which was taken as an indication of his intention to resign. A seventh Minister, Mr. Malik Salam, had resigned in March over the disturbances in the Southern town of Sidon in which a number of people were killed.

According to Lebanese and Palestinian reports, as many as 300 people were killed and many more wounded in the week-long clashes between guerillas and Phalangists last month.

Two Phalangist members of the Cabinet, Minister Louis Abou Sharaf and Minister George Saade, were first to resign and they were followed by three supporters of former President Camille Chamoun. The Cabinet resignation makes the political crisis wide open as President Franjieh would have to search for a new Premier, who, under the Lebanese system, is always a Sunni Moslem, while the President is a Catholic Christian.

UAE leaders face defence merger call

BY RICHARD JOHNS — ABU DHABI, May 8.

MERGER of the military and police forces of the United Arab Emirates is to be discussed on Monday at what may prove to be one of the most critical meetings of the Supreme Council, consisting of the seven rulers, since the federation was formed in 1971.

Integration in defence and security, as well as other fields, is being pressed with increasing urgency by Sheikh Zaid, President of the UAE and ruler of Abu Dhabi. It was also urged in a report by a ministerial committee appointed last year which was presented to a session of the Supreme Council just over two weeks ago.

Sheikh Rashid, ruler of Dubai, brought proceedings to a close proposing that the different member states he given time to consider it. According to UAE Government sources, the other rulers agreed that Sheikh Muharak bim Mohammed of the Abu Dhabi ruling family would be given the defence fortfolio. At present it is held by Sheikh Mohammed, son of the ruler of Dubai.

Effectively, a merger would increase the predominance of Abu Dhabi, resulting from its oil wealth and the fact that it has hitherto provided all the money for the union budget.

Fischer dies at home in S. Africa

CAPE TOWN, May 8.

BRAM FISCHER, former leader of the South African Communist Party serving a life jail sentence, died to-day, it was announced here.

Fischer, aged 66, died of cancer at his brother's home in Bloemfontein, where he was transferred from a prison hospital in March, a statement issued by the Commissioner of Prisons said.

He was imprisoned for life in 1966 for conspiracy to commit sabotage, and was being cared for by his family after a prolonged campaign for his release from the restriction of the hospital.

He denied charges at his trial that he had issued instructions concerning plans for guerilla warfare leading to the overthrow of the South African Government.

Fischer, a lawyer from a prominent Afrikaans family, appeared destined for a high position in South Africa, possibly even Government office. But after returning to South Africa in 1937, after a period studying at Oxford University, his views apparently changed.

He was leading defence counsel in the 1964 trial which led to life sentences on Black Nationalist leader Nelson Mandela and seven other men found guilty of sabotage and plotting violent revolution.

Reuter

'Rhodesia will fall' warnings

By Our Own Correspondent

DAR ES SALAAM, May 8.

FRELIMO'S President Samora Machel is predicting the downfall of Ian Smith's Rhodesian Government following Mozambique's independence on June 25.

Mr. Machel, who is expected to be Mozambique's first President, told a rally at Lindi, in Southern Tanzania, yesterday: "Our victory in Mozambique makes it necessary for us to state openly that the problem of Rhodesia will be solved in no time."

Reuter reports from Lisbon: A revolutionary army is being trained to invade Rhodesia and will do so unless Prime Minister Ian Smith agrees to negotiate with the country's African National Council (ANC). Zambian President Kenneth Kaunda said here to-night.

MIDDLE EAST PEACE TALKS

Looking for an act of faith

BY ALAIN CASS

WELL OVER a month since the collapse of Dr. Henry Kissinger's efforts to secure an interim agreement between Egypt and Israel the prospects of a negotiated settlement, though clearly no better, are not necessarily much worse. This, presumably, must be the advice being given to President Ford who now seems to have decided that the chances of another American initiative succeeding are high enough for him to venture personally into this hideously complex area of diplomacy.

Mr. Ford will meet President Anwar Sadat in Salzburg early in June and Mr. Itzhak Rabin, the Israeli Prime Minister, in Washington soon after, by which time the President will hope to have got enough out of both sides to persuade the rest of a disbelieving world that Dr. Kissinger's aborted mission was no more than a tactical retreat. The American line will, presumably, be that with time running out and the inevitability of an inconclusive Geneva conference drawing ever closer, the fruits of a compromise which both sides basically want far outweigh the short-term political comforts of appearing intransigent.

It has become fairly clear that both principals were hemmed in by their hard liners during Dr. Kissinger's last round, willing though they were to come to some sort of agreement involving a major Israeli pullback and reciprocal, though vague, Egyptian assurances of non-belligerency for a period during which further progress towards an overall settlement could be made. Both, however, had to take account of their more demanding political constituents—Mr. Rabin of his co-negotiator Mr. Shimon Peres, the Defence Minister, and Mr. Sadat of the Syrians and Palestinians. In the end, the full glare of a Kissinger spectacular in which both sides could have been accused of giving in under pressure became an impossible forum for compromise.

The belief now is that having been seen to be uncompromising both Mr. Rabin and President Sadat are in a better position to move forward. In a sense, the argument runs, the negotiations needed a failure of this sort to appease the fundamentalist on the sidelines and that, with the air clearer, they can be resumed (though not necessarily in the same form) with a greater chance of success.

It remains to be seen whether this particular analysis will emerge as the correct one, but there is little doubt that the failure of the Kissinger mission was a turning point in the overall progress towards a settlement in the sense that what has happened since is of vastly more importance than what immediately preceded the event.

> 'The Arabs feel that the weapon of peace may wear down Israel more effectively right now than the threat of war.'

The most significant post-Kissinger event is undoubtedly the U.S. reassessment of its Middle East policy. The Israelis, the chief and for a long while the only beneficiaries of that policy, have assumed, with some reason, that this particular exercise is a sign of U.S. displeasure and designed to put them under pressure. After the rout in South-East Asia, an American reassessment in the Middle East sounds ominous to the Israelis, who are now talking about prevailing winds and the need for self-reliance. The Israelis know as well as anyone else, of course, that America's commitment to them is very different in nature from its commitment in Indo-china. There are few, if any, Vietnamese voters in the U.S. Nevertheless, the spectacle of an unyielding Congress refusing to help either Vietnam or Cambodia has raised some nagging doubts in Israeli minds.

Chief among these is the suspicion, which is slowly hardening into a belief, that in the final analysis there is unlikely to be a way in which the U.S. could guarantee the existence of Israel short of sending in troops. Mr. Rabin's Government has been seeking urgent assurances that the U.S. does not intend to cut back its military aid to Israel, probably arguing that if this were the case Israel would have little choice but to hold on to what territory she has as the only real guarantee of security. Clearly the question of guarantees of Israeli sovereignty will have to be faced sooner or later and may well prove the most intractable issue to resolve.

This seems also to be the feeling of the Russians, who, in a less obvious but arguably no less effective way, have been quietly preparing the ground for the next stage. The Soviet Union's intentions in the Middle East are far from clear at the best of times (possibly because the Russians can never be entirely sure of their support in the area) but taken more or less at face value their recent moves would indicate that they oppose Dr. Kissinger's diplomacy because he left them no visible role to play rather than because they are fundamentally against stability in the Middle East.

At any rate, they, too, have been unmistakably putting pressure on their proteges to take a more conciliatory line while also trying to reassure Israel that Geneva, and a global settlement, may not be a bad thing after all.

At this stage it is probably more important to talk about the outline of an agreement, and the mood in which it is constructed, rather than the details. Foreign Minister Andrei Gromyko's statement that the Soviet Union is ready to give Israel the strictest guarantees of her existence may not have been new but the fact that he chose to make it in the presence of Syria's hard-line Foreign Minister, and he as explicit as he was, is being taken seriously, if not by Jerusalem, then certainly by the Arabs, the more uncompromising of whom (such as the Palestinians) regard it as a threat to their position. This latest reaffirmation of Soviet policy has, in fact, provoked a fierce debate within the Palestinian movement, though the Syrians, who are now linked to the PLO in a joint political and military command, have been conspiciously silent.

In many respects this sudden easing of the Soviet line towards Israel merely echoes a wider shift in tactics on the part of the Arabs who, with very few exceptions, feel that the weapon of peace may well prove more effective right now in wearing down Israel than the threat of war. Mr. Sadat's unilateral action in announcing the opening of the Suez Canal by June 5 was, Mr. Rabin's protestations notwithstanding, a significant gesture of goodwill, if not a positive statement of peaceful intent, and the clearest indication of this shift. In his recent meeting with other Arab Heads of State, primarily designed to mend his rather battered fences after nearly six months of bitter disagreement with some of his colleagues, President Sadat also got them to agree that the best way to capitalise on the U.S. current disenchantment with Israel is to appear as compliant as is politically possible though this tenuous coalition is unlikely to last longer than immediate self-interest dictates. From the higher reaches of the Palestine Liberation Organisation, veiled but unmistakable signs continue to filter out of a retreat from the movement's historic claim to all of Palestine. At what point that retreat is to be made official is another crucial issue. But if the prevailing wisdom in the executive committee (that Israeli internal unity would suffer more if the perpetual threat of extinction were suddenly removed) wins through then that may happen sooner than the PLO's public posturing may suggest though not before some reciprocal easing on the PLO's position from Israel.

President Ford has outlined three possible ways forward from the present deadlock: another interim agreement between Israel and Egypt: an immediate resumption of Geneva: or a combination of both.

Judging by the prevailing mood in the White House and the Kremlin the most likely move is the last. It would make sense to resume Geneva briefly in order to satisfy Soviet honour and Syrian and Palestinian sensitivities and then break up to negotiate a Sinai deal which could then serve as a basis from which to tackle the fundamental issues in multilateral talks. Either way, Mr. Rabin's Government is being manoeuvred into a position where it will have to perform a considerable act of faith which, so far, it has appeared unwilling, or unable, to make.

With the last foreigners released, the first reports are published of . . .

Life in Phnom Penh

THE FIRST details of the fall of Phnom Penh and the regime set up by its Khmer Rouge conquerors began to appear yesterday following the arrival in Thailand of the last foreigners who took refuge in the French embassy in the Cambodian capital.

About 550 foreigners were in the last batch to reach the Thai border after a three-day journey in trucks and buses from Phnom Penh. The first group, about 300-strong, crossed the border on Saturday but journalists among them agreed on a self-imposed embargo concerning events inside Phnom Penh for fear of endangering those left behind.

Reports published yesterday spoke of the capital being emptied of virtually all its inhabitants after the Khmer Rouge marched in on April 17. No information concerning the fate of those ordered from the capital—who included bedridden hospital patients—was available, but it was thought that war refugees would probably be returned to their homes.

Others, it was suggested, have been segregated in the countryside to be screened by the Khmer Rouge.

Although no Government appears to have installed itself formally in Phnom Penh so far, the reports said Khmer Rouge troops, well-armed and well-disciplined, appeared to be firmly in control of the whole country.

One notable feature of the rule imposed by the Khmer Rouge is its apparent rejection of all symbols of foreign influence.

This apparently extends to the Russians as well. Khmer Rouge troops ordered caretakers at the Soviet embassy in Phnom Penh to join other foreigners in the French embassy. They then ransacked the Russian embassy, tearing down its flag and trampling on it.

Khmer Rouge troops also systematically destroyed property belonging to Cambodia's upper and middle classes, reportedly keeping only watches and flashlights for themselves.

Of Khieu Samphan, the commander in chief of the Khmer Rouge forces and strong man in the Communist-led Royal Government of National Union (GRUNK), little was heard by those sheltering in the French embassy, although he spoke on the radio on at least one occasion.

Two correspondents of the French news agency AFP, however, reported that a "council of Ministers" was held in Phnom Penh on April 20, the day after two Chinese aircraft landed at its airport.

The fate of members of the former regime remains equally mysterious. Prime Minister Long Boret was apparently taken into custody on April 17, but no evidence of his fate was available.

Prince Sirik Matak, one of those behind the coup which ousted Prince Norodom Sihanouk—his half-brother—in 1970, took refuge in the French Embassy. However, he left quietly when Khmer Rouge troops drove up and ordered him to leave.

The refugees gave conflicting accounts of Khmer Rouge reprisals on the population, with some reporting that people were "shot like dogs" while others praised the restraint of the conquerors.

The actual fall of Phnom Penh, however, appears to have occurred relatively calmly, with only token resistance from some units, including a free-lance group styling itself the "Monatio" (National Movement) which seized the Information Ministry in the dying hours of the old regime.

Cheering crowds swiftly filled the streets to welcome the Khmer Rouge as they moved in from the suburbs, but the celebrations were apparently brought to a brusque end when they started firing their weapons in the air and ordering the inhabitants to prepare to leave the city.

Meanwhile, foreigners and Cambodians were converging on the French embassy, scrambling over the back fence. One of the few casualties during the two-week ordeal occurred then when an Indian refugee broke his leg jumping in.

Once inside, the refugees sorted themselves into various communities—French embassy officials taking over the chancery, other French nationals sleeping in cars, in the cinema and on the terrace, third country nationals and journalists in the residence and priests and nuns in the garden.

Food was pooled, and a Red Cross team sneaked back to their headquarters in the city in an ambulance to recover biscuits and tins of corned beef. A large lavatory was dug across the garden. The water went off on April 20, and the sanitary facilities became appalling.

Also on April 20, the Khmer Rouge entered the compound and ordered out all Cambodian passport-holders, Vietnamese and Chinese. This caused heart-rending scenes as Cambodians with French passports were separated from wives and children without them.

Two Vietnamese girls married to Americans who had already left the country were stopped from even entering the compound. They tried in vain to buy marriage to Frenchmen.

On April 21 there was heavy rain, and many of the grimy refugees tore off their clothes and danced around the garden. To keep up the good mood the French handed out champagne in the evening.

Most refugees said the atmosphere in the compound was quite good in the circumstances, though many were very depressed and apathetic.

One desperate group of refugees cornered and skinned the embassy cat. "I'm told it was quite good," a refugee said.

On April 26 came the first word of their departure for the Thai border. At the same time the Khmer Rouge confiscated all radios and cut the embassy's links with the outside world.

In the early hours of April 30 after a champagne celebration the first group of refugees piled into 25 open, seatless lorries and set off on the 250 miles journey to the border via a series of wrong-turnings, backtrackings, stops and starts.

The first 50 miles of the trip took two days with the convoy staying off the main route and following dirt trails that had been carved out by the Khmer Rouge to haul ammunition.

The guerillas apparently did not want the foreigners to see places where the city's population or Government troops had been collected. Once past the town of Kompong Chnang, the convoy stayed on the main highway.

A young Khmer patrols Phnom Penh while some inhabitants are forced to leave and children shelter in the French embassy.

HOME NEWS

Sir Jules Thorn warns of more redundancy

By Arthur Sandles

FURTHER "SUBSTANTIAL redundancies" in the British domestic electricals business were forecast yesterday by Sir Jules Thorn, chairman of Thorn Electrical Industries, who blamed the imposition of 25 per cent. VAT on some items and the general economic situation.

After a somewhat depresing annual meeting of the British Radio Equipment Manufacturers' Association in London he said of the economy in general and television manufacturing in particular: "The crunch is coming very soon now."

Sir Jules would not indicate where the redundancies might fall within his own organisation. However, it is clear that colour TV demand is not likely to match last year's figures.

His warning will be borne out to-day when Phillips, which announced 550 redundancies at its Pye works in East Anglia and Hertfordshire on Wednesday, announces plans to reduce the heavy overcapacity at many of its television and electronics plants, caused by the Budget.

Phillips is to seek plant-level meetings with union officials to see how the situation can be remedied and large-scale redundancies appear inevitable.

It was an angry and frustrated group that met in London to discuss the state of the radio and TV industry. One member said: "The Government just does not realise that if you keep on knocking an industry on the head one day it will not be there when you want it to bounce back.

"In 18 months or two years time there will be a rush to reflate. We will not have the capacity and the imports will flow in. We are tired of telling the Treasury, they simply do not listen. Perhaps we should go to the Ministry of Defence and tell them that if they keep hitting television there will be no more radar, no more defence systems, because we simply will not have a basic electronics industry."

Strength

The annual report of BREMA indicated, however, that 1974 had been a better year than had been feared. After a bad start, things had picked up. The report talks of the "basic strength of the market."

The report notes the fall off in the number of imported sets sold in the U.K. recently. This, it says, "tends to support the view that imported sets were sometimes purchased not merely from choice, but because for various and well-documented historical reasons, the British industry could not fully meet local demand."

Imports fell by £47.5m. last year—and by 37 per cent. in unit terms.

But, says the report, "the continuation by successive Governments in the U.K. of stop-go policies has denied the industry both the stability required for its planning and development, and an assured home market on which to base its export efforts."

Advantages

The report also notes a drop in rental's share of the market —from 73 per cent. to 64 per cent. Specialist rental chains in particular saw their share drop from 46 to 38 per cent. of new business.

"The reasons for this change were undoubtedly based on an increasing awareness by the public of the economic advantages of buying rather than renting sets in an inflationary situation. Trends favouring discount houses were halted, while multiple groups and independent dealers both gained a share in the colour television market."

The 1974 colour TV market was 2.2m. sets, compared with 2.7m. in 1973.

MP blames sackings on EEC

By Harold Bolter, Industrial Editor

MR. ERIC HEFFER, recently dismissed as Minister of State for Industry, yesterday claimed that the British Steel Corporation's plan for 20,000 redundancies could be attributed to Britain's membership of the Common Market.

According to Mr. Heffer—the anti-Marketeer dismissed by Mr. Wilson for breaking the guidelines for the Parliamentary conduct of Ministers before the EEC referendum—his argument is supported by three documents prepared by members of the BSC's staff in 1971.

These documents, he claims, warned that if Britain entered the Common Market, British Steel would lose its markets to Continental steel makers. In addition, production of British steel would be centred on the east coast and plants in Scotland and Wales would close down.

"Both predictions have come true," Mr. Heffer said. "The much-vaunted expansion plans of Sir Monty Finniston, the chairman of BSC, are in fact drastic amputations of the British steel industry designed to fit into Europe.

"The mass sackings of steel workers he demands are the result of the damage done to our steel industry by our membership of the Common Market and I believe the Board of the BSC has a duty to admit this."

Mr. Heffer said the U.K.'s net steel imports from the Market were now running at an annual rate of 3m. tonnes a year.

"If we were making this steel here we would need 30,000 extra steel men. Instead we are buying it from the EEC and sacking 20,000 in the next few weeks, if Sir Monty has his way."

Lord Stokes was in optimistic mood when he visited Oxford yesterday—not to look at British Leyland's Cowley car factories, which were at a standstill, but to open a new showroom for Leyland's Rover/Triumph dealer a mile or two away. He said of the company of which he is to become roving ambassador: "Let us make no mistake, British Leyland is nothing to be ashamed of. In fact it is something to be proud of. We are one of the world's major motor companies—we have merged together a lot of different companies into one powerful organisation."

Imperial Tobacco cuts working hours

BY ELINOR GOODMAN

IMPERIAL Tobacco is to introduce short-time working at its 13 factories in anticipation of a 15 to 20 per cent. drop in demand for cigarettes as a result of the Budget increases.

No redundancies are involved and all the workers are protected by a guaranteed working week scheme which means they will receive at least 80 per cent. of their normal earnings.

The short-time will take different forms throughout the group. W. D. and H. O. Wills is to introduce short-time working at its eight plants for at least the next two weeks. In Newcastle, for example, about 10 per cent. of the workforce will be sent home each day on a rota basis, while in Glasgow the management and unions are discussing cutting each shift by two hours. Other arrangements are still being worked out for Wills' four Bristol factories and its plant at Swindon, but it is likely that the majority of the company's 9,000 production workers will be affected by the cuts.

John Player, the other Imperial tobacco subsidiary, is to effect the biggest production cut backs at its Ipswich Churchman factory which will go on a four-day week from next Tuesday and is likely to close for an extra week at Whitsun. Apart from this the company is to cease production entirely at two of its four other plants for two days and cut down production at its other factories on the same days.

Wills announced last week that it was stopping overtime because of the expected drop in cigarette sales after the Budget increases. It warned that short-time working might have to be introduced.

At this stage John Player said it was still reviewing the situation and pointed out that it was unlikely to be as badly hit as Wills because of its strength at the cheaper end of the cigarette market.

All the workers employed by Imperial Tobacco have a guaranteed working week. Those employed for three years or more get 100 per cent. of their normal earnings, while those employed for more than a year but less than three get [illegible] per cent. of their usual wages. Workers with less than a year's service receive 80 per cent.

Apart from the depressing effect on sales the Budget has meant that the tobacco companies have had to face a[n] increase i ntheir working capital needs. Wills, which, with competitors, asked the Government to give it delayed credit on its payments to customs, said that the duty increase meant it would have to pay an additional £750,000 a day to customs.

Cabinet may decide by June 5 on Bank's interest in BP

BY RAY DAFTER

BRITISH PETROLEUM may know within a month whether the Government is to take a controlling interest in the undertaking and whether there is to be a major foreign element in its shareholding.

The Labour Party said yesterday that it expected the Government to decide before the EEC referendum on June 5 on the future of the 20.5 per cent. stake acquired from the Burmah Oil rescue operation and held by the Bank of England.

It added that official party policy favoured the Government's acquiring the entire Bank share, bringing the State holding to just under 70 per cent. The Government's present stake is 48.2 per cent., although it has said it will not exercise the voting rights on stock acquired from Burmah.

However, there is some scepticism in oil and City circles that the deal will be completed by June 5. This is in view of the interest being shown in the BP shares by, among others, the Shah of Iran, and U.S. and German companies.

Mr. Ian Fraser, deputy chairman of Lazard Brothers, BP's merchant bank, has said that the decision is likely to be political, taken at 10, Downing Street.

The Left wing of the Labour Party in particular is in favour of the stake passing into Government hands.

A possible compromise being talked about in the oil industry is the acquisition by the Government of a controlling interest, together with the disposal of the balance of shares to overseas interests.

It is also acknowledged, however, that BP might face political difficulties in the U.S. over its substantial Alaskan operations if the British Government were felt to have a controlling interest and, furthermore one which could interfere with BP's commercial activities.

David Bell writes: The Committee of institutional shareholders in Burmah Oil, together own about 31 per cent. of the company's shares, made the "strongest representations" to the Bank of England and the Government for a revision of the terms of the sale of Burmah's holding of British Petroleum shares.

The committee said last night that it regretted that the "authorities have not so far been prepared to consider any form of profit-sharing on any subsequent sale of the BP holding by the Bank and strongly supports the views expressed by Mr. D[illegible], Burmah's chairman, on the transaction."

Plessey to manufacture novel thermo-mechanical engine

BY DAVID FISHLOCK, SCIENCE EDITOR

PLESSEY IS to manufacture a novel type of engine developed by the U.K. Atomic Energy Research Establishment at Harwell, as the power source for a marine navigational aid.

The prototype of the Harwell engine — a thermo-mechanical generator—was demonstrated by the Royal Society in London last night.

Harwell is now completing the first of five engines, destined for field trials, which will be delivered this month to Hawker Siddeley for use in the U.K. National Data Buoy.

The engine on exhibition has now completed 7,000 hours of operation, delivering up to 25 watts at an efficiency of 15 per cent. It was demonstrated driving a Sony miniature TV set.

The essential feature of the new engine is that it requires no maintenance and very little fuel. It will run continuously for a year on 200 kg of propane gas—just three large cylinders.

It employs the principle of the Stirling engine, but instead of a piston it has a stainless steel diaphragm that is made to vibrate by a gas that expands and contracts as it moves rapidly between hot and cool zones in the gas circuit.

More power

The vibration is harnessed directly to an alternating current generator to produce the electrical output.

The main application for the engines to be manufactured by Plessey Power Systems at Romford, is expected to be rotating light beacons for use at sea, but other potential uses forecast by Harwell include remotely sited signalling and relay stations, remote weather stations and power for monitoring offshore oil or gas.

Although present designs of the thermo-mechanical generator indicate that the optimum output is about 25 watts, the Harwell scientists believe that the concept may be good for greater power levels. One said: "Frankly, we'd love to [have] someone pay us to find out."

Harwell has also received a contract from the Metal Box Company to attempt to scale up by about a factor of ten another variant of the Stirling engine developed at the laboratory called the Fluidyne engine. Fluidyne has possibilities as a simple pump for irrigation systems, using low-grade heat such as solar heat.

Metal Box believes that it might find markets for the Fluidyne engine in competition with the diesel, if its output can be increased from 50-100 gallons an hour to 500-1,000 gallons an hour.

John Lewis profits up $8\frac{1}{2}$%

FINANCIAL TIMES REPORTER

SALES BY the John Lewis Partnership in 1974 were up 20 per cent. on the preceeding year, with the Waitrose food shops showing a sales gain well ahead of inflation at 31 per cent.

Lower margins, however, meant that despite the volume increase, trading profit rose only $8\frac{1}{2}$ per cent. on the year.

The Partnership's annual report and accounts, published yesterday, broadly confirm the estimated results for 1974 announced in January. Trading profit for the year totalled £17.8m. with the greater part of the profit coming from the department stores.

Waitrose's contribution to profit was marginally up on 1973 at £2.1m.

Net interest payable rose from £1.9m. to £2.5m. and taxation from £2.4m. to £2.8m. As already announced, the Partnership bonus was paid at a rate of [illegible] per cent. of pay.

All the Partnership's properties were revalued in [illegible] resulting in a surplus of nearly £8m. over the net book value which was added to reserves.

Partly as a result of this action, together with that of a further £6.5m. to reserves, total capital employed by the Partnership in January, 1975 rose to £98.5m. as against £82[illegible] a year earlier.

HOME NEWS

Ulster Convention meets in disciplined mood

BY OUR OWN CORRESPONDENT BELFAST, May 8.

THE TONE and mood of the first formal meeting of the Ulster Convention to-day was disciplined and even conciliatory. But despite the optimistic sentiments expressed the speeches by the major party leaders illustrated clearly the difficulties facing the Convention.

In contrast with the unruly opening of the Northern Ireland Assembly the only sour note to-day came when Mr. Glen Barr (Vanguard, Londonderry) walked out after saying he would boycott the Convention until Loyalist prisoners were returned to Northern Ireland. Mr. Barr did not sign the roll and will not, therefore, draw his £2,500 salary.

There were other differences from the Assembly, with the Loyalist ranks occupying the former Government benches and the new cross-benches, and the figure of Mr. Brian Faulkner, former Prime Minister and chief executive, on the other side with his party of five around him.

The general feeling of responsibility and good will was summed up in the opening address of Sir Robert Lowry, chairman and Lord Chief Justice of Northern Ireland. He described the Convention's responsibility as grave and said that, for the members, the burden was great and the opportunity unlimited.

"Truly it can be said of Ulster that her children are gone into captivity—a terrible captivity involving their hearts and minds. Can we help to deliver those children? I should despair indeed if I thought we could not," Sir Robert said.

He was followed by Mr. Harry West, the Unionist leader, who chided those who had prophesied failure for the Convention. They were determined to make it work, and the Unionist coalition would not kick the minority around. But he also said that, while he was prepared to co-operate with people who wanted a united Ireland, he would not allow those people to put their hands on the steering wheel of the State, although this did not mean they would reject sharing in other aspects of life.

Mr. Gerry Fitt, the SDLP leader, was clearly determined not to let this optimism obscure the fundamental differences which the Convention would have to try to resolve.

Political minefield

"All the people of Northern Ireland must be involved in the everyday running of the affairs of the State, and there must never be any question of one dominant political force trying to say to those opposed to them that they must remain in a minority, subject position.

"There is an Irish dimension to Northern Ireland and its problems. If we are ever to eradicate violence from these shores it must be in co-operation with all the governments that have the power to do so," Mr. Fitt declared.

Some convention members were surprised that the two leaders should have gone so far into the political minefield on what was essentially a formal meeting, but it at least indicated that the convention might manage to differ in a businesslike and restrained fashion.

The actual business of to-day's meeting—the setting-up of a committee to draft rules of procedure—was agreed without a division. The all-party committee will make its report in time for the first real working session on May 22.

● Dominick J. Coyle writes from Dublin: The Provisional IRA said here that it would not tolerate under any guise the re-establishment of a Northern Ireland administration at Stormont based on a Protestant Loyalist majority.

The Provisionals in a statement released through the Irish Republican Publicity Bureau and timed to coincide with the inaugural meeting at Stormont of the Ulster Constitutional Convention, renewed their call for a British withdrawal from the North.

The Provisionals claimed that their call to the North's Roman Catholic population to boycott last week's convention poll had been answered in decisive terms and that the UUUC leaders now represented only a little over one-third of the Northern electorate.

"While they may feel confident of blackmailing the London and Dublin Governments with strikes, bombings and assassinations, they shall face the full strength of the IRA in any attempt to establish a Six-County Fascist state."

Ulster's last chance, Page 18

Britain acts to force Pan Am into line over ticket bonuses

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE DISPUTE between Pan American World Airways and the U.K. Government over what rates of commission the airline can pay its travel agents in this country intensified yesterday, when the Department of Trade said that it had varied the airline's operating permit to force it to apply commissions approved by the U.K.

The Department said bluntly that the airline had been warned that failure to comply with this directive "could lead the Secretary of State for Trade to consider whether he should revoke or suspend any or all of their (Pan Am's) operating permits.

"This would be a very serious step to take, but the Department of Trade believes it is essential that all airlines operate strictly in accordance with their permits."

Pan Am last night said that it would reply to the Department to-day, and would be challenging certain aspects of the Ministry's statement. In the meantime, the U.S. State Department was "watching the situation carefully"—indicating that the matter is going beyond the airline to become an inter-governmental dispute.

The Department of Trade's move came after the first public warning given to the airline on Monday that it would vary the airline's operating permit if it failed to adopt immediately the U.K.'s ruling on commissions—that all airlines must only offer a ½ per cent. increase, to 7½ per cent., instead of the 3 per cent. increase to 10 per cent. that Pan Am wants to offer.

Pan Am first proposed its 3 per cent. "incentive bonus commission" increase some weeks ago, offering it to all agents world-wide who boosted Pan Am ticket sales to beyond 90 per cent. of last year's level.

Shocked

The move, widely welcomed by travel agents, shocked other airlines, who felt it was, at worst, a recipe for financial disaster and at best bound to put up passenger fares.

They voted with only one exception—Pan Am—at a meeting in Nice under the auspices of the International Air Transport Association to offer agents a ½ per cent. rise in commission.

The move was accepted by the U.K. Government, which immediately told all airlines, British and foreign, operating in this country to implement it. Pan Am demurred, claiming it was entitled legally to offer what commission it liked, and that commissions did not come under the terms of the operating permit, granted under the Anglo-American Air Services Agreement.

From that moment, Pan Am and the U.K. Government were on a collision course. The airline referred the matter to its lawyers in New York, who appeared to confirm that in their view the airline had the right to offer whatever commissions it chose.

The U.K. Government's civil aviation advisers clearly disagreed, and this led to the first public warning, given in the Commons by Mr. Stanley Clinton Davies, Parliamentary Under Secretary for Trade, on Monday, after a meeting with Pan Am that failed to produce any agreement.

Isolated

Since then, Pan Am is understood to have continued to offer the higher commission—indeed, it could not do much else because it is left to travel agents to deduct their commission from the cash they receive from selling Pan Am tickets, before passing on the balance on a period basis.

It will be up to the airline, therefore, to tell its agents in the U.K. that they can deduct only the smaller rate of commission.

Many other governments have followed the U.K. example, and told Pan Am they will not allow it to offer the higher commissions in their territories.

The latest country to insist on the ½ per cent. rise is Canada, with both Air Canada and CP Air yesterday saying they were applying this rate from May 1.

Pan Am thus appears to be increasingly isolated in its efforts to give travel agents what it believes is a better deal. There is also increasing bitterness in the travel trade at what is regarded as unwarranted government interference in a commercial relationship.

The U.S. Government's view, through the State Department, may well be that Pan Am is right and that the U.S. interpretation of the Anglo-U.S. Air Services Agreement differs from the U.K. view.

In that case, there could be seeds of a major international clash over the next week or two between the two countries on air service matters, perhaps leading to a revision of the agreement.

Should the U.K. revoke Pan Am's permit, the immediate U.S. reaction would probably be revocation of British Airways' permits in the U.S.

Jobless total forecast at 1.25m.

By Michael Blanden

CONTINUED wage rises of 30 per cent. and more, with unemployment rising to at least 1.25m, and perhaps as high as 1½m. next year, are among the gloomy predictions in the latest paper from the Henley Centre for Forecasting. No measurable recovery from to-day's state of affairs is seen until 1977.

The centre, a recently established joint enterprise of the Administrative Staff College, Henley, and James Morrell Associates, thinks it unlikely that the rising unemployment trend will break the price inflation this year.

It foresaw that wage settlements would exceed 30 per cent. for several more months, in spite of the unemployment rise. At the same time, short-term interest rates would be forced up within a matter of weeks and, in due course, further cuts would be imposed on Government spending.

If, because of the faster rise in unemployment, spending cuts were unacceptable, controls on wages remained the only alternative.

Extreme pressures on the pound were likely to result from the huge public sector borrowing requirement, bringing difficulties for the Government later this year. Ultimately, the position of sterling would force the Government to change its policies.

As wage settlements in the face of static production led to an acceleration in retail prices, the squeeze on real incomes would continue.

Consumer spending would be hit, with the sharpest falls expected in consumer durables.

Drawing on savings and some increase in credit would limit the cut but consumer spending would decline throughout this year and would regain the level of last quarter only in the fourth quarter of next year.

Carrington Viyella and Tootal merge bonding interests

BY RHYS DAVID

TOOTAL and Carrington Viyella are to form a new joint company which will merge the interests of their two subsidiaries in the fast-growing textile bonding field, Textile Bonding and Fishbrook Laminates.

Both companies have been pioneers in the U.K. of the textile bonding process, which has become increasingly significant in recent years with the spread of fabric in car interiors.

Textile bonding, which also has applications in the clothing field involves laminating a textile fabric, usually warp-knit nylon—to a backing such as polyester foam.

The use of a laminated material makes it possible to combine the advantage of a fabric appearance or feel with the particular characteristics of the backing such as stability or ability to be heat set.

Tootal, which previously had owned a 60 per cent. interest in Textile Bonding, the biggest U.K. textile laminator acquired the remaining 40 per cent. held by Chamberlain Phipps only on April 30.

CP, a shoe components and engineering group, based at Higham Ferrers, Northamptonshire, was responsible originally for setting up Textile Bonding, but it was made clear when Tootal acquired its earlier stake that if the business developed away from CP's main areas of interests Tootal would take over completely.

One result of CP's decision to sell its stake is that it is now out of the textile field altogether, which is perhaps significant in view of the interest Courtaulds has taken in the company.

It is one of three companies in which Courtaulds—also with interests in car fabrics has been building up its stake—now totalling more than 16 per cent. of the equity.

The merger of the Tootal-CV laminating interests has come about at least in part, it is thought, because of concern by CV to continue its trading relationship with Textile Bonding after the Chamberlain Phipps sale.

The company had been laminating CV cloth for use in the motor industry and CV appears to have been anxious that this arrangement should continue.

Tootal has also been a main supplier to Textile Bonding, both of fabric through its Condura Fabrics subsidiary and of foam through its Callgen Foam subsidiary.

Under the arrangement now agreed between the two companies, Carrington Viyella will take a 50 per cent. interest in Textile Bonding in return for the transfer of the Fishbrook Laminates business and a £80,000 payment. Mr. Arthur Chapman will retain his position as managing director of Textile Bonding.

A joint statement by the two companies yesterday said that the two subsidiaries were both engaged in commission laminating of fabrics for industrial and apparel uses with Fishbrook also engaged in fabric coating. The activities were complementary and the merger would strengthen the service which could be offered to customers.

More Home News page 30

Substantial increase in deposits with Crown Agents last year

BY MARGARET REID

IN SPITE of December's financial crisis at the Crown Agents, necessitating an £85m. Government grant, there was a marked rise during 1974 in deposits with the Agents, which handles purchasing and investment for some 90 overseas Governments.

This is disclosed in the annual review of Mr. John Cuckney, who took over as chairman in October. He says that sterling deposits of the "principals" for which the Agents act rose during the year from £191m. to £357m., while non-sterling deposits went up from the equivalent of U.S.$287m. (£122m.) to U.S.$517m. (£221m.), after touching U.S.$628m. (£267m.) in October.

Large deposits were received at the end of the year after the official support grant.

No provisional balance sheet and revenue results for last year are being disclosed with the review as in previous years, but fully audited accounts will be published in July.

Of last autumn's troubles which led to the Government grant, Mr. Cuckney remarks that they "only related to the Crown Agents' 'own account' business in the banking and investment spheres, which did not, of course, affect the funds managed on the instructions of principals."

In recent months, the Agents have cut back by some £60m. on their one-time £190m. involvement in the secondary banking and property sectors which led to last year's difficulties. An independent three-man inquiry, recently set up by Mrs. Judith Hart, the Minister for Overseas Development, under Judge Edgar Fay, is now scrutinising the circumstances leading to the need for the support grant.

The annual review shows that the value of new orders placed through the Agents last year reached a record value of £155m., 26 per cent. more than in 1973. The number of orders, however, was 20 per cent. lower at 62,500.

Wine drive for Northern Clubs

BY KENNETH GOODING

A DETERMINED attempt to change the drinking habits of some of Britain's most entrenched devotees of beer—the members of working men's clubs in the North of England—is to be made by the Wine Development Board.

The WDB is supported financially by all the main wine-producing countries and U.K. shippers.

It is now satisfied that wine drinking is well established among the middle classes in the South of England. So this coming year it plans to attempt to spread the "drink-more-wine" message to those areas which have so far shown the most resistance—the working men's clubs and people in the North.

Mr. Guy Gordon Clark, WDB chairman, said yesterday: "There is no doubt that these are the people who seem to be successfully maintaining their levels of disposable income at the moment. It is time we extended their knowledge of wine."

Mr. Clark also produced an optimistic forecast that the wine trade would this year at least maintain the level of consumption in the U.K. at just under 496m. bottles. The "take-home" trade would be greater than ever this year, counter-balancing any reduction in wine drinking caused by a possible cut in eating out.

Big London wine sale Page 30

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LABOUR NEWS

Civil Service union rank-and-file get more power

By Lorelies Olslager in Margate

THE 220,000-member Civil and Public Services Association, Britain's biggest Civil Service union, yesterday decided to give the rank and file greater opportunities for supervising their national executive, whose members' political leanings have recently become a major issue.

On the last day of the union's annual conference in Margate delegates demanded that in future they should be kept informed of all motions discussed at executive meetings and be given a record of the votes cast by individual executive members.

The conference also reaffirmed the union's opposition to the social contract, first formulated a year ago and reinforced by Mr. Healey's Budget last month.

Price freeze

Mr. William Kendall, the union's general secretary, said the CPSA was not unsympathetic towards the Government and recognised that Britain was facing serious economic problems. But the social contract was no basis for self-restraint by workers, and even consumer subsidies and threshold arrangements were not enough.

The union had in the past called for a freeze of transport, clothing and food prices. This could be the basis for self-restraint, Mr. Kendall added, but he carefully refrained from making any promises.

He stressed that the recent 26 per cent. Civil Service pay award could not have been justified by any of the provisions in the social contract guidelines. "We are in total opposition to the contract as we have it at the moment."

Chapple calls for tighter union wage guidelines

BY JOHN WYLES IN THE ISLE OF MAN

A CALL for the TUC to tighten its wage guidelines with a specific pay norm and to exercise more control over union pay claims was issued here yesterday by Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union.

Mr. Chapple, speaking after the union's biennial conference, pledged continuing support for the social contract. During the debate, Mr. Chapple, one of the country's most prominent and outspoken right-wing union leaders, attacked the failure of the trade union movement to honour its obligations under the social contract.

These views are, however, unlikely to surprise Mr. Chapple's colleagues on the TUC economic committee. He has long been more sceptical than other senior TUC leaders about the chances of any voluntary pay policy being successful. He suggested after yesterday's debate that a statutory prices and incomes policy which was "fair" and allowed special treatment for deserving groups might well be the only effective counter to wage inflation.

In his conference speech, which comes only a few weeks after negotiating an offer for EPTU members in electricity supply which will give rises totalling 31 per cent. over the past year, Mr. Chapple told the conference: "You can argue any case you want under the social contract." Despite his belief that the contract was "irrelevant" to the country's economic problems, he urged his 420,000-member union to continue its support because it was the only policy currently available.

Most of the opposition to the guidelines came during the debate from left-wingers employing arguments which are being heard at most union conferences this year. They claimed that the social contract was merely another form of wage restraint which was an obstacle to the achievement of a fully socialist economy and penalised wage earners.

This was "utter and arrant nonsense," said Mr. Chapple who confronted his militants with the same relish he has displayed throughout the conference this week. Between March 1974 and March 1975 he said basic wage rates had risen by 32.5 per cent., well ahead of price rises during the same period.

"I am supporting the contract because the Government in its first few months in office honoured its pledges to the movement. But we have not honoured ours and wages have kept rising above prices," said Mr. Chapple.

He told delegates that when the guidelines were being discussed he had been the only member of the TUC economic committee to have said the social contract would not work "because it ties nobody to anything." On a division, the conference defeated the resolution rejecting the social contract by 365 votes to 164

Miners pose new challenge on threshold payments

BY ROY ROGERS, LABOUR CORRESPONDENT

A FRESH challenge to the Government's opposition to cost of living threshold payments emerged yesterday when leaders of Britain's 240,000 miners revived their threshold demands.

The National Union of Mineworkers' national executive decided to seek an early meeting with the National Coal Board when they intend to resubmit their claim for a threshold arrangement.

At the end of last year, the NUM sought to continue its Stage Three threshold agreement which gave automatic 40p a week increases for every 1 per cent. rise in the Retail Price Index before expiring in November, when increases totalled £4.40.

This was, however, rejected by the National Coal Board during negotiations on this year's annual miners' pay settlement which gave average increases of 30 per cent., including the £4.40 threshold payments which were absorbed into basic rates.

Although the NCB did agree to meet the NUM later this year to discuss how other industries with threshold agreements had fared, it still seems very unlikely that the NCB will agree to a fresh cost of living agreement now that the NUM has decided to try to bring that meeting forward.

The Government's opposition to thresholds, especially in the public sector, was shown clearly in its criticism of a threshold deal concluded recently for Post Office workers.

Meanwhile, pit widows on NCB pensions of £2.35 a week yesterday took their children and placards to the NUM's South Wales area conference and protested that the men—who on Wednesday decided to back a £100-a-week pay claim—had neglected their plight.

Their complaints wrung a pledge of support from the South Wales miners, meeting at Porthcawl, and a promise to seek redress for them.

COHSE calls off threat against private practice

BY OUR LABOUR STAFF

A HEALTH service union has called off its threat of industrial action against private practice in the NHS after the announcement by Mrs. Barbara Castle, Social Services Secretary, on Monday that legislation is being prepared to separate public and private health and to extend licensing control over the private sector.

The Confederation of Health Service Employees' national executive called off the threat at a meeting yesterday. The union had set a deadline of yesterday for a Government announcement.

COHSE has been refusing to act against private beds in recent months because the Government was still in delicate negotiation with doctors. Yesterday's decision was not therefore unexpected.

The rival union, the National Union of Public Employees, whose members in many parts of the country have acted vigorously against private patients, has already welcomed Mrs. Castle's announcement.

ASTMS to oppose contract

BY CHRISTIAN TYLER, LABOUR STAFF

THE Association of Scientific, Technical and Managerial Staffs, a major white-collar union, will come under strong pressure to vote against the social contract at its annual conference in Bournemouth this week-end.

An anti-contract composite resolution, down for the final agenda, is expected to be supported by the union's national executive and thus help ensure a "no" vote.

The resolution declares "opposition to the social contract and all that it entails in terms of wage and salary restraint."

Mr. Clive Jenkins, ASTMS general secretary, pointed out yesterday that his union had abstained from the pro-social contract vote at last year's annual Trades Union Congress.

He said his union's policy was "not just to maintain purchasing power but to seek a real gain." ASTMS was also asking the TUC to study how taxation thresholds affected the lower-paid.

Mr. Jenkins is one of those union leaders on the TUC general council who believe that [illegible] should be taken into account when reaching pay settlements, a policy opposed by Mr. Len Murray, TUC general secretary, but so far never mentioned in the social contract guidelines.

Also down for debate is an anti-EEC resolution, also likely to be passed. Mr. Peter Shore, Trade Secretary and a prominent anti-Marketeer, will address the conference just before the debate. Mr. Jenkins has likewise been prominent in the anti-Market campaign.

CEGB worry over strike at Drakelow

By Our Derby Correspondent

A WEEK-OLD strike by contract workers at Drakelow power station near Burton on Trent is now causing "serious concern" an Electricity Board spokesman said yesterday.

The stoppage involving 100 shift workers is understood to have been started by "a foreman's derogatory comment to one of the men."

Work on the overhaul of one of the station's boilers has been brought to a standstill and a spokesman for the Central Electricity Generating Board in Birmingham said yesterday: "There have been one or two stoppages in our overhaul programme and this strike is having a serious effect at a critical stage. A rotation system is preventing any reduction in electricity supply but every day of the stoppage delays the return of the generator to service."

A spokesman for Foster Wheeler Boilers, the contractors, declined to comment.

Three hazards committees proposed

By David Fishlock, Science Editor

THREE ADVISORY committees on hazards in addition to the Committee on Major Hazards set up in January are proposed in a consultative document issued by the Health and Safety Commission.

The new committees would deal with poisonous substances (other than nuclear materials); dangerous substances and their manufacture, transport and storage; and medical advice on occupational health.

Chairmen would be drawn from senior staff of the Health and Safety Executive.

At the same time it is proposed that the Industrial Health Advisory Committee and the Industrial Advisory Safety Council should be wound up, and the work of their sub-committees transferred to the new advisory bodies.

The commission is also proposing to set up 18 new industry-based advisory committees, covering iron and steel, general engineering (except foundries), foundries, chemicals and petrochemicals, coal mining, construction, quarries, electricity, railways, docks, cotton and wool, potteries, paper-making, agriculture, hospitals, shipbuilding and ship repairing, food manufacture, and printing.

They would advise the commission on the protection of workers from hazards to health and safety arising from their occupation, and the protection of the public from related hazards arising from their activities at work.

ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED

("AMIC")

STAFFORD MAYER COMPANY (SOUTH AFRICA) LIMITED

("STAFFORD MAYER")

SOUTH AFRICAN BOARD MILLS LIMITED

("SABM")

(All of which are incorporated in the Republic of South Africa)

Standard Merchant Bank Limited is authorised to announce that the directors of Stafford Mayer and SABM intend recommending to their shareholders the acceptance of the proposals detailed hereunder, which will result in AMIC controlling Stafford Mayer and SABM respectively.

The terms of the proposals are as follows:

(a) For every 100 Stafford Mayer ordinary shares held, Stafford Mayer's shareholders other than AMIC will receive 13 AMIC ordinary shares;

(b) For every 100 SABM ordinary shares held, SABM's shareholders other than Stafford Mayer and AMIC, will receive 13 AMIC ordinary shares.

At present AMIC holds 23.7 per cent. and 10.2 per cent. of the equity of Stafford Mayer and SABM respectively. Stafford Mayer presently holds 68.6 per cent. of the equity of SABM.

The above proposals are dependent on AMIC's shareholders agreeing to increase AMIC's authorised ordinary share capital.

The annual results of Stafford Mayer and SABM will be announced towards the end of May, 1975. It is anticipated, however, taking into account the sudden downturn in the demand for paper board products since December, 1974, and notwithstanding cost saving measures taken by SABM, the earnings attributable to ordinary shareholders of SABM, and consequently to the ordinary shareholders of Stafford Mayer, for the 6 months ended on 30th April, 1975, are expected to show a substantial fall as follows:

Attributable Earnings to Ordinary Shareholders for the 6 months ended

	31.10.1974 R000's	30.4.1975 R000's
Stafford Mayer	1 023	277
SABM	1 264	336

As a result the earnings attributable to the shareholders of Stafford Mayer and SABM for the year ended 30th April, 1975 are expected to be approximately R1.3 million and R1.6 million respectively as compared with R1.7 million and R2.2 million in the 1974 financial year.

For comparative purposes the above figures exclude capital profits.

Working capital requirements continue to escalate resulting in pressure on the companies' liquidity. This, together with the fall in profitability will be taken into account by directors when considering the payment of a final dividend in respect of the year ended 30th April, 1975.

If the above proposals are implemented ordinary shareholders in Stafford Mayer and SABM will not qualify for any final dividend declared by those companies but will be entitled to receive any interim dividend which may be declared by AMIC in respect of the six months ended 30th June, 1975.

Full details of the proposals will be sent to shareholders of AMIC, Stafford Mayer and SABM as soon as possible. The listings of the shares of Stafford Mayer and SABM will be reinstated on 9th May, 1975.

STANDARD MERCHANT BANK LIMITED
(REGISTERED MERCHANT BANK)
Johannesburg.
9th May, 1975.

Wolf ELECTRIC TOOLS

Record Export Performance

Extracts from the Chairman's Report:

Our Companies in Canada, Australia, Holland and South Africa all recorded higher turnovers, and their combined profits rose by over 80%. Their success, together with the expansion in our general exports, has resulted in an increase in overseas turnover of more than £1 million.

The numbers and variety of Sapphire Tools produced has continued to grow, and ... the output of manufactured machines was considerably in excess of the preceding year. New models have been introduced, others updated and in all cases user acceptance has been favourable.

Sales turnover for the first quarter exceeded the corresponding 1974 figure, but the slackening demand in some Export markets, as well as at Home, can only mean that the rate of expansion enjoyed in previous years may not be maintained in 1975.

Your Directors believe that continued membership of the European Community would enhance export prospects, and ... that there are still ample opportunities for development.

	1974 £000	1973 £000
Sales	9,191	7,514
Trading Profit	1,563	1,039
Profit after Tax	765	546
Earnings per Share	17.79p	12.64p
Dividend paid per Share	2.89p	2.57p

PIONEER WORKS, HANGER LANE, EALING, LONDON W5 1DS

UCB, s.a., Brussels

The Board of Directors of UCB at its meeting held on 14th April, has approved the accounts for the financial year ended on 31st December, 1974.

The following statement by Baron C. E. Janssen serves as an introduction to the Annual General Meeting on 10th June, 1975.

1974 has been a year of rapid changes for both the economy of the industrial world in general and the activities of the UCB Group itself.

The year started in an atmosphere of deep concern following the oil crisis, the shortage of many commodities and an extremely rapid price escalation. This increase subsequently slowed down, allowing prices at the beginning of the summer to find some sort of stability at a high level as demand continued to be buoyant. By the autumn, signs of a marked, sometimes sharp, but selective downturn, could be seen: while in some areas demand maintained itself, in others it became hesitant or weak. And the year ended in a climate of recession.

Within our Group, the Cellulose and Plastic Films Sector and the Chemical Sector were able to secure feedstocks for their production despite the prevailing shortage of the first half-year, while taking full advantage of the favourable market conditions of this period. During the second half-year, market conditions continued to be satisfactory for Cellophane, inorganic chemicals and some organic chemicals but became sluggish for plastic and converted films, several kinds of chemical intermediates and speciality chemicals.

Much to our regret, stops in our production became necessary at the end of the year and in some units partial lay-off in turns had to be decided to avoid accumulation of stocks in the factories.

The Pharmaceutical Sector, which continues to undergo excessively stringent price and reimbursement controls, was adversely affected throughout the year and operated at reduced profitability.

* * *

The almost universal increase in prices and our expansion in Europe combined, have brought the UCB Group net turnover from BF 12,737 million in 1973 to BF 17,983 million in 1974, an increase of 41 per cent.

Due to the mainly inflationary trend of this movement, your Board of Directors has thought it right to observe great care and prudence in the valuation of stocks and in the estimation of the risks facing the Company and as a result provisions have been made.

The overall favourable business trend is reflected by the results for the year: the total after-tax results of the Group attributable to UCB, amount to BF 442 million against BF 245 million last year; extraordinary results are negligible whereas a loss of BF 155 million was shown in 1973 by this account.

The ordinary profits after tax attributable to UCB s.a., amount to BF 315,183,827 in 1974 which is an increase of 28 per cent. over 1973. After taking account of the extraordinary profit, a transfer to the blocked reserve and the amounts brought forward, the total available for distribution is BF 417,922,589.

The Board of Directors recommends you to approve a net dividend of BF 175 per capital share, compared with BF 155 in the previous year, and that an amount of BF 177,437,589 be carried forward.

* * *

In April 1975, trading conditions prevailing in the Film and Chemical Sectors are as difficult as they were at the end of 1974: the rate of occupation in many units unavoidably leads to more or less long-term stoppages in our Belgian, British and German plants. Results are therefore unsatisfactory for the moment, burdened as they are by increasingly heavy fixed costs and rises in wages and salaries which continue to be out of proportion.

However, in the *Pharmaceutical Sector* a few authorized price increases can be reported, in Belgium notably.

It would be impossible to say when the situation will improve but let us nevertheless hope that by the end of the year a better balance will be achieved between supply and demand, between earnings and costs.

With confidence in the future of our industry, last December your Board of Directors approved the investment programme for 1975 which amounts to some BF 1,320 million for the whole Group.

This *programme only* includes a few financial investments, BF 40 million roughly, our main concern being at present aimed at the strengthening of our Company by way of industrial investments.

An amount of BF 620 million has been allocated to the Films Sector, in particular for the extension and the modernization of its film production and conversion plants, BF 430 million to the Chemical Sector especially to cover increases of productive capacity, BF 220 million to the Pharmaceutical Sector in need of infra-structural extensions, and BF 50 million to non-sectoral activities. This programme will be spread over several years, in step with the completion of the programmes under way of previous years.

FINANCIAL HIGHLIGHTS

UCB GROUP In millions of BF *in millions of £*	1974 BF	1974 £	1973 BF	1973 £	1972 BF	1972 £
Group net turnover	17,983	*211.6*	12,737	*132.7*	8,470	*81.9*
Attributable to UCB:						
Depreciation	928	*10.9*	830	*8.6*	552	*5.3*
Profit after taxation						
—ordinary	441	*5.2*	396	*4.1*	200	*1.9*
—extraordinary	1		−151	*−1.6*	22	*0.2*
—total	442	*5.2*	245	*2.5*	222	*2.1*
Cash flow	1,600	*18.8*	1,097	*11.4*	784	*7.6*

UCB GROUP In BF/£ per UCB Share	1974 BF	1974 £	1973 BF	1973 £	1972 BF	1972 £
Attributable to UCB:						
Depreciation	844	*9.9*	755	*7.9*	502	*4.9*
Profit after taxation						
—ordinary	401	*4.7*	360	*3.7*	182	*1.8*
—extraordinary	1	—	−137	*−1.4*	20	*0.2*
—total	402	*4.7*	223	*2.3*	202	*2.0*
Cash flow	1,455	*17.1*	998	*10.4*	713	*6.9*

Dividends to shareholders in BF/£ per UCB Share	1974 BF	1974 £	1973 BF	1973 £	1972 BF	1972 £
Gross	218.75	*2.57*	193.75	*2.02*	148.26	*1.43*
Net	175	*2.06*	155	*1.61*	140	*1.35*

Rate of exchange used: 1974 1 £=BF 84.97
1973 1 £=BF 95.99
1972 1 £=BF103.39

Cash flow=total Profit after tax + Depreciation ± variations in provisions for risks and losses of values.

Copies of the 1974 Annual Report (in English, French or Dutch) can be obtained on request from:
UCB s.a. Public Relations Department, Chaussée de Charleroi, 4
B.1060 BRUSSELS-BELGIUM. TEL: (010) 322 537 12 20 TELEX: 21,280

NORTH SEA OIL REVIEW FROM HOUSTON

BY ADRIAN HAMILTON

Re-evaluation shadows over the grand jamboree

"WE WON'T see the like of this again," an oil executive dolefully commented at the Seventh Offshore Technology Conference here this week. His remark was out of tune with the grand jamboree that the OTC has become—more exhibits, more visitors, more papers than ever before—but the unease about the future pace of worldwide offshore activity is undoubtedly present beneath the surface.

Impelled by the energy crisis of the last year, and the outstanding discoveries in the North Sea, the offshore industry in Europe, as in the U.S., had geared itself up to meet an expected boom in the market of dramatic proportions. As the exhibits here amply display, Europeans have now entered the scene with a vengeance, taking large space for national exhibits to present the wares of the U.K., Norway, Holland, France and, more belatedly, West Germany.

But the market shows clear signs of slackening. Semi-submersible rigs, once in short supply, now appear to be heading for a sharp glut this year, with distinctly unpleasant implications for the banks and ship-owners as well as contractors which have got uncommitted rigs under construction.

Oil companies are openly talking of having to trim their exploration sales both in the U.S. and abroad in the face of punitive tax laws and growing nationalism. The marine contractors—lay and derrick barge-owners and platform constructors—are still reporting high workloads and a considerable backlog of orders. But there are pessimists enough to suggest that they too will feel the pinch as the fall-off in exploration is finally felt in development work.

Pessimism

Whether this pessimism is exaggerated, and whether the current easing in demand for offshore rigs is a temporary or longer-term phenomenon, is the $64,000 question. Certainly the long-term future remains buoyant. As much as half the world's oil is expected to come from offshore production in the next decade, and of future discoveries again as much as half are expected to be made in deep water of 600 ft. or more.

As oil demand begins to grow again, and as the development of alternative fuels slips back, say the optimists, the pressure of consumer needs is bound to take up any slack. Equally, however, there can be little doubt that the current growth in demand for offshore goods and services is not as great as expected a year ago. The financial position of the customers—the oil companies—is beginning to come under pressure, with poor first-quarter results and uneasy prospects for the year. In the U.S., the opening up of new lease sales in areas such as the Eastern Seaboard and Gulf of Alaska has fallen behind schedule, to be pushed back into next year and beyond.

Abroad, the North Sea, still the prime area of world offshore activity, has been beset by political as well as cost problems, while political action is upsetting other developments in Australia, Canada, Venezuela and elsewhere.

The main problem is undoubtedly that of the drilling rigs, and, more particularly, that of the larger, semi-submersibles now under construction. Just as in shipping, rig construction and contracting now seems to have become a cyclical business. Two years ago, faced with what seemed to be a long-term shortage of vessels, almost every contractor put in orders for new equipment, many of them without firm customer contracts. At the height of the building boom 12 months ago, some 100 rigs were on order, with half of them earmarked for the North Sea.

It is the faltering of pace there, added to the levelling-off of demand in the U.S., that is causing the main embarrassment.

The opening-up of acreage off the U.S. coast will doubtless absorb some of the rigs. Increased activity in Norwegian and, perhaps, U.K waters might also help; and there is growing demand off Africa and South-East Asia. But several rigs are for sale, and the fear here is that, with the depressed state of the tanker and bulk cargo market, the bankers—once so eager to lend money—could be left with some embarrassing obligations on their hands, and that the foreign-built rigs, failing to find a home abroad, could move to the U.S. and drive rates down sharply.

Healthy

Marine platform construction and contracting, meanwhile, are still in a healthy state. Once again, it is the North Sea which dominates the picture as the most concentrated area of activity anwhere in the world, and one still without any rival in sight outside the U.S. Development expenditure there is reaching record heights as the U.K. fields at last come into the production phase and is likely to grow for at least a year or two more.

The Gulf of Mexico remains active and, despite some major disappointments in recent drilling, expenditure is expected to grow. The Middle East, for all the excess of production capacity, remains a surprisingly buoyant market, particularly for U.S. contractors.

Yet here again there are some underlying worries. In the North Sea, no Norwegian platform construction facility has an order for delivery in 1977, while U.K. orders have fallen off just as the number of sites has increased. On the contracting side, there is still a tight supply/demand picture for pipelay and derrick barges. But with some seven new lay barges on order, five of them of the new generation type of semi-submersible or ship-shape sort, and several new derrick barges on order, the feeling is that saturation point may be close at hand despite major projects in the offing.

The industry is still, of course, one of the fastest-growing in the process plant and contracting fields. Some of the doubts here are emotional, produced by the feeling that the U.S. Congress, like foreign governments, no longer loves what was once America's most-favoured industry. Nor is the shortfall too great at this moment. Supply of rigs and equipment is still fairly neatly balanced against demand, and it is the fear of future excess supply rather than the present situtation which is creating doubts.

If, as some expect, part of the boom of last year is over and the offshore industry must now settle for rather less dramatic growth rates over the next few years, then the implications could be important. One possibility is growing difficulties for new entrants, particularly in Europe. The lesson may well be that those companies not already in the game have now left it too late.

It may be increasingly difficult for companies with new technology, particularly for deepwater production, to find firm buyers, especially if costs continue to rise but oil prices do not. This year's OTC has seen a wealth of developed technology as well as some impressive new ideas, such as Santa Fe's reel type of lay barge, and Selmer's tripod concrete platform. Some have already got off the ground, like Seal's single well production system which is to be tried out by Mobil on Beryl this year. BP and CJB are studying plans to use Seal's cluster system in the North Sea. But, to grow, this part of the industry needs firm customers, and, as one Norwegian contractor remarked: "This year has seen plenty of tourists, but very few interested customers."

Fear

Third and most delicately, a levelling-off in the market does raise potential problems of nationalism. Though little discussed in public, the fear is that a surplus of equipment could raise protectionist cries both in the U.S. and abroad. Hopefully it will not come to this. But after a year of hectic growth and some severe shortages of equipment, the balance of supply and demand is becoming easier and both customers and suppliers are, in the favourite phrase here, "undergoing a period of evaluation."

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● NORTH SEA OIL

Pick-a-back submarine

BENGT LACHMANN, chief of Kockums Naval Projects Department, announced at a conference in Houston, Texas, yesterday, that the Swedish shipyard has developed a new system for carrying out underwater work. It consists of a 1,600-ton "mother" submarine carrying a 50-ton "baby" submarine that can be launched and taken back aboard underwater.

At present, working submarines and diving bells use a surface or semi-submersible vessel as a mother ship. Both are extremely vulnerable to bad weather and in fact, statistics show that no more than about 100 days a year provide weather conditions suitable for underwater work in the North Sea, if the supply ship has to cope with surface conditions.

However, claims Lachmann, "using our submarine as a support vessel, divers could work at underwater sites for 300 days a year. Furthermore, the divers would have much better protection, with access to a complete diving centre under the sea."

The 50-ton submersible craft, developed by Kockums at Malmö with the help of the French diving company Comex, is larger than the conventional civilian working submarine. It can carry a cargo of 3 tons and is fitted with a diver lockout for two divers. Its estimated price is Skr.12m.—or about £1.3m.

It is carried in a compartment in the outer hull of the submarine support vessel, which is expected to be priced at about Skr.100m., or about £10.8m.

The mother submarine has a captain, a cook, and three shifts of three men each. There is also accommodation for 13 men to man the work unit and to carry out underwater site operations.

The larger vessel will operate down to 400 feet, where the water is always calm, and where launching and receiving of the baby craft can be carried out without lifting gear. The smaller vessel will then be able to descend to depths of 1,500 feet for visual inspection and work with manipulators and to 1,000 feet for diver lockout operations. A hydraulic platform lifts the small submarine from its compartment to the launching position on the hull of the support vessel and also lowers it to its stowed position after its return.

Immediately below the carrying compartment in the mother craft are dual locks and decompression chambers, a medical treatment chamber and workshops and stores for the work unit—a complete diving centre in other words.

A normal tour of work for the system is envisaged as three weeks between harbour visits, allowing about 19 days in the working area. While the submersible is carrying out its separate mission, the mother submarine will rest on the surface, or at snorkel depth, or hover submerged for up to 50 hours. Watch will be kept for surface craft with sonar and radar, and the submersible will be monitored with transponder and sonar systems.

The submarine pick-a-back system is expected to reduce the costs of underwater installation and maintenance work in deep sea oilfields through the trebling of available working days in any year, and also to meet the new rigorous safety measures that are now being demanded for underwater work that has cost the lives of too many divers.

● INSTRUMENTS

Measures complex voltage

PEAK, AVERAGE and true root mean square voltages can be measured by an autoranging digital voltmeter type 2427 introduced by B and K Laboratories, Cross Lances Road, Hounslow, Middx. (01-570 7774). The meter can deal with complex waveforms and is also suitable for dc.

In the "auto" mode the instrument selects the correct range according to the level of input signal and the measured value can be indicated in millivolts, volts or dB on a four digit seven segment display. A binary coded decimal output is provided.

Voltage ranges covered are 100 mV to 300 V dc and 10 mV to 300V ac with a frequency range of ½Hz to 500 kHz. Three decibel ranges are provided referred to a microvolt, a volt and 0.775 V. From 10 millivolts upwards the signal to noise ratio is better than 60 dB. The meter measures 5½ x 5½ x 7½ inches and weighs 6½ lb.

Times and counts

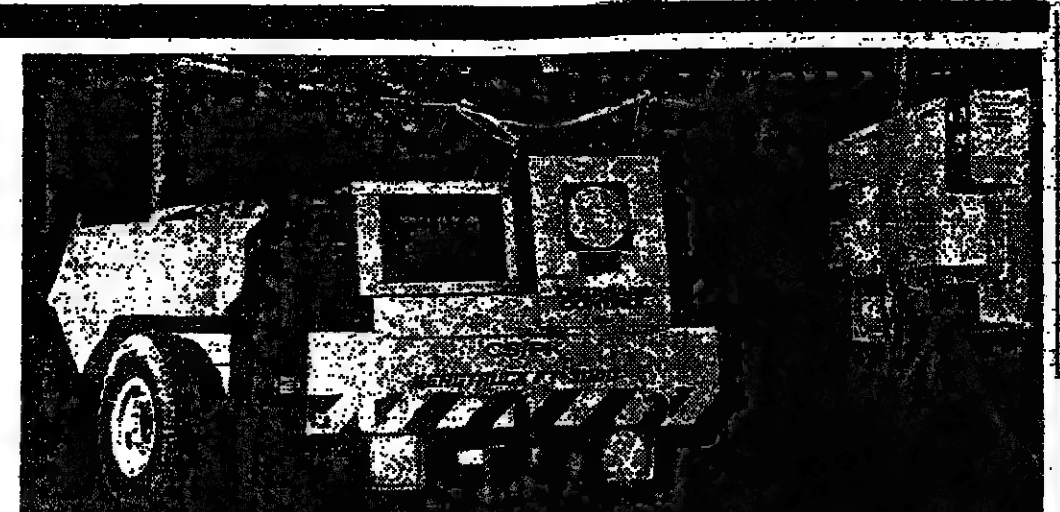
AVAILABLE FROM Advance Electronics is a timer-counter working out to 10 MHz and providing five-digit readings.

It will measure frequencies down to 2 Hz with gate times selected manually or automatically and the input amplifier has automatic gain control, or manually variable sensitivity with 10 mV maximum.

There are two channels for time measurement, with pulse widths directly measured via the "A" input. For mechanically-based measurements each amplifier has a contact position, and a variable gate hold-off is provided to remove the effects of contact bounce, improving the reliability of relay measurements and event timing.

Operation is from the mains or rechargable batteries which give at least five hours operation on one charge. There is a built-in battery charger.

Designated TC21, the unit uses a seven-segment gas discharge display. Temperature coefficient of five parts in 10m. is achieved by a 1 MHz quartz crystal. Advance is at Roebuck Road, Hainault, Essex (01-500 1000).



Moog, of Cheltenham, Glos., has been awarded a £20,000 order as part of a contract to supply electro-hydraulic servo valves for the control systems of a new type of robot dump truck now entering production in Sweden. The vehicle, shown here, is a Noimet PK3000 articulated dumper and is fitted with a control system, developed by the Datasaab division of Saab-Scania AB, which allows it to operate totally unattended in mines, transporting ore and spoil from mine workings to conveyor or railway systems. The Moog units control the steering of each vehicle and help achieve the directional accuracy which is necessary for the dumper to operate in narrow, winding tunnels. Following a guide cable laid on the tunnel floor, the truck has a tracking accuracy of ±20 cm (8 in.) and a repeatability of ±5 cm (2 in.). Both front and rear of the truck are fitted with receiver antennae which pick up audio frequency signals from the cable. The signals are amplified and used to generate an error signal which is proportional to the distance between the dumper centre line and the cable, and the angle formed by the dumper chassis and the cable. The error signal is in the input to the Moog four-way servovalve which controls extension and retraction of the hydraulic steering cylinders.

● ENERGY

Big saving on freezer costs

INITIAL research undertaken by Van Den Berghs in conjunction with Tesco and Mac Fisheries which, as reported on Technical Page on April 14, has revealed that by fitting night blinds on freezers savings of as much as 45 per cent. in electricity consumed by the cabinets can be achieved, has aroused great interest.

Van Den Berghs is now working with Commercial Plastics, an associated Unilever company, which is in the process of developing a prototype blind for dairy cabinets.

Commercial Plastics, producers of vinyl film and sheeting and a range of products for industry and the home, including Sombrero roller blinds, has approached retail and refrigeration equipment manufacturers and distributors. Reaction to the project has been enthusiastic—as power cost saving is close to half, it should!

Van Den Berghs itself will not be involved in the sales or marketing of the blinds for refrigeration equipment; this will be handled entirely by Commercial Plastics. The two companies are collaborating closely, and further work is under way at the Unilever Research Centre, Colworth House, Bedfordshire.

Materials suitable for use at chilled-cabinet temperatures have been produced and Commercial Plastics is completing work on design and functional problems. An announcement of a product in a marketable form is anticipated in the near future from the company at Berkeley Square House, Berkeley Square, London W1X 6AN. (01-629 8030.)

Reduces overload expense

DIGITAL MONITORING of rate of power consumption during maximum demand tariff periods is provided by a unit by Digicon Electronics, 26 Portland Square, Bristol BS2 8RZ (0272 46210).

A digital display indicates to the nearest kilowatt either the load which must be shed or the additional load which could be applied for consumption to remain within the maximum demand figure during the current tariff period. The display is updated at pre-determined intervals either in seconds, or after the consumption of a specified number of kilowatt hours. A second digital display shows the remaining minutes of the period. The equipment uses impulses from the area electricity Board maximum demand installation, usually available through buffer relays.

Associated equipment from the company allows any number of distribution feeders to be monitored for their individual excesses, individual and total correction being displayed. Automatic control can be applied to switch off selected items when the target load is exceeded and restore them after a pre-determined time, or when sufficient extra power is available.

● RESEARCH

Laboratory units are compact

TWO SMALL units suitable for laboratory-scale work are available from Germany.

The surface treatment division of Degussa, Frankfurt am Main, has a novel galvanising unit small enough to allow laboratories and production departments to have their own independent galvanising equipment programmes.

The baths have an effective capacity of 5 litres and are manufactured from highly-resistant plastic. Depending on the application, these are fitted with equipment for moving the goods or are designed as economy rinsing or running water rinsing baths.

Although this unit was developed for plating with precious metals, it can also be used for all galvanising processes.

Degussa is at D6000 Frankfurt am Main 1, Postfach 2644.

Modular thin-film deposition equipment, Type A 400 VL, is available from Leybold Heraeus. It has vacuum chambers of approximately 400 mm diameter, and is at the lower end of a range of vacuum deposition and sputtering units.

A central control cabinet works with either, or both, of two work stations: one for electron beam or conventional vacuum coating and ion plating, and the other for sputtering, ion etching and conventional vacuum coating.

Work that can be carried out includes vacuum deposition or ion plating with resistance heaters or an electron-beam evaporator; dc or rf sputtering with or without bias, and ion etching.

Leybold Heraeus in the U.K. is at 173 Greenwich High Road, London SE10 8JA. (01 858 1127.)

● PROCESSING

Speeds heat treatment

CAPABLE OF handling twice the number of components previously treated in salt-baths and non-atmosphere furnaces is an installation specially designed and built at the transmission division of Newage Engineers, Coventry.

Cycle times have been greatly reduced—from 48 hours down to eight hours when carburising—and components require no further cleaning after heat treatment, says Birlec, Westgate, Aldridge, Walsall WS9 8BX (0922 53388), the company which carried out the work.

Hardening and case hardening gearbox parts, the installation consists of two 15 cubic feet capacity sealed quench furnaces, a box tempering furnace, a degreasing machine and a traversing charging machine serving all the equipment.

● MACHINE TOOLS

Cross belt sander

FROM ITALY a cross belt sanding machine by Tagliabue, the model LH27, is being imported by Lohmann and Co., The Mill Trading Estate, Acton Lane, London N.W.10 (01-965 8951).

The 21 pressure pads are controlled by individual solenoid valves. A bank of sensors with microswitches controls workpiece flatness. For specially shaped workpieces, solenoids and sensors can be de-energised.

Powered by a two speed 20/25 hp electric motor, the machine has two 150 mm. wide contra-directional belts. They are supported by a felt over-lapping segment belt running at a different speed to offset the effects of belt joints and to cool the belts and increase their life. A longitudinal sanding attachment is fitted with traverse controlled by pneumatic valves.

Workpieces can be from 6 to 130 mm. thick, with a maximum width of 1,350 mm.

● SHIPPING

Keeps track of painting procedure

INTERNATIONAL Marine Coatings, part of the International Paint Company is beginning to use a computerised performance monitoring system to correlate and disseminate a bank of information regarding the application and performance of the firm's products on several thousand ships throughout the world.

With the system, International Marine Coatings expects to obtain within a matter of minutes data concerning the painting or treatment of a particular ship before it is drydocked. This will be of benefit to IMC and shipowners in determining the best paint scheme for a particular ship.

The scheme is operating in its initial stages and IMC is using a computerised reporting scheme for ships under construction or drydocking in the United Kingdom, Holland, Scandinavia and Germany. It is intended to extend the reporting system to the rest of the world in the near future.

By the end of the year IMC expects that data concerning some 2,000 ships or more will be held in the system.

Up to now IMC, in common with other major marine companies, has relied on a mass of written information obtained from reports received from wherever ships have drydocked throughout the world. With the increasing level of business activity, however, it is felt that the quantity of data being received can only be managed and interpreted by use of a computer.

Using the computer, a control system is being set up to keep a check on each ship using IMC products. For example, the computer is programmed to give IMC three months warning of ships due to drydock, and to indicate those ships which are three months overdue for docking. One of the advantages is that IMC will never lose a ship from its records once it has been initially reported to them.

IPC is at Henrietta House, Henrietta Place, London, W1A 1AD. (01-636 4213.)

PARLIAMENT

Choice is for British people, says Healey

"THE CHOICE is not for me, but for the British people," Mr. Denis Healey, Chancellor of the Exchequer, said in the Commons yesterday.

"Either we moderate our demands for income we have not earned, or moderation must be imposed through the tax system. There really is no alternative," he declared.

Mr. Healey also gave a hint on the second reading of the Finance Bill that the relationship between vehicle excise licences and the tax on petrol may change in future.

Recalling that he had faced the choice between increasing vehicle duty and petrol tax, he said it had not been an easy decision. Either course was bound to inflict greater hardship on some sections of the community than others.

There was a serious case for abolishing vehicle excise duty altogether and raising equivalent revenue by increasing the tax on petrol.

But shift workers and people living in rural areas, who were bound to use their cars more intensively than others, had already felt the burden of petrol prices increases more than other road users.

To raise an equivalent amount of revenue from petrol taxation would mean adding 16p a gallon to the existing cost of petrol.

Another reason for this year's decision was the position of the British car industry and the fact that it did not possess such a wide range of small cars as its foreign competitors. A rise in the cost of petrol would have meant a flood of small foreign cars into Britain.

His choice had been the best available one in the circumstances this year, but if circumstances changed, he would certainly consider a different decision in a future Budget.

Turning to the 25 per cent. VAT on some goods, Mr. Healey said he had tried to impose the extra burdens where they could most easily be borne, on less essential expenditure.

There had been criticism of income-tax rises. "But I have made clear that I shall be obliged to take such measures as long as my warnings about excessive increases in incomes go unheeded."

The Opposition had claimed that he should not have increased taxation but given further handouts in the form of raising tax thresholds.

"If, in fact, we index tax allowances and raise them every year to take account of the full effect of inflation, we would have to find additional money either by increasing income-tax still further—which would be undesirable—or increasing indirect taxation."

For administrative reasons, the proposal to tax free medical insurance would come into operation at the start of the 1976 tax year.

"We have yet to bring our main proposals on fringe benefits before the House. The present ones badly need an overhaul," Mr. Healey added.

Mr. Healey said that a taxpayer who used the appeal machinery to delay payment of tax should not profit thereby, compared with a man who settled his tax bill promptly and whose tax was deducted at source under PAYE.

The present provision represented only a partial solution to the problem of interest on unpaid tax. It was hoped an opportunity would arise in due course to carry the solution forward.

Outlining action against the "lump," the Chancellor said that abolition was something for the longer term, but further measures would be introduced as soon as possible.

For anyone who tried fraudulently to obtain a tax certificate the maximum fine would be increased ten-fold to £5,000. The new system would be fully in operation next year.

In the meantime, the Inland Revenue would be re-testing all those who previously held certificates, or anyone who had defaulted in the past. Those whose certificates were not in order would not receive a new certificate.

Mr. Healey said he would have preferred to avoid many of the measures in the Finance Bill, above all when unemployment was rising, though still below the level in many other countries. "But I think the country realises that I had no alternative. It just had to be done.

"So long as inflation in Britain looks like rising at nearly twice the rate of that in most other industrial countries, unemployment is bound to rise, and the Government will be prevented by hard economic facts from taking action to reduce it.

"If too many people insist on obtaining increases in money incomes far beyond the increase in the cost of living, and far beyond what can be justified by increases in productivity, the Chancellor will be compelled to keep the economy in balance by raising taxes and cutting public expenditure.

"And to the extent that people try to recover the increases in taxation by yet more excessive increases in incomes, the Government will be forced increasingly to make further cuts in public expenditure as the only way of keeping the ship of State afloat.

"Worse still, the sacrifices are bound to fall on those who have no responsibility for the situation which made them necessary — on the majority of working people who settled within the voluntary guidelines laid down by the TUC, and on those whom public expenditure is designed to help."

Sir Geoffrey Howe, Opposition spokesman on economic affairs, said that since the Chancellor's Budget speech, the value of the pound had continued downwards. It was universally expected that the Chancellor would have to take further action very swiftly."

No one wished to see any increase in unemployment that could sensibly be avoided, but some rise was unavoidable as a concomitant of getting inflation under control. The worse the degree of inflation, the higher the unemployment that would eventually arise when it was attacked.

The Government must press ahead with the onslaught on the size of the public sector borrowing requirement which was necessary.

The concept of the multi-rate VAT was damaging and unnecessary. If, and when, the Conservatives returned to power they would do everything possible to restore the simplicity of design of the tax.

Shrewsbury Two: No parole yet

THE PAROLE BOARD had decided not to recommend release of the "Shrewsbury Two" trade unionists from prison next Thursday, the earliest possible date for parole, Mr. Roy Jenkins, Home Secretary, told the Commons yesterday. Mr. Jenkins said he had no powers to over-ride the Board's decisions, but in view of the recently changed attitude in prison of the two men, he had directed that their cases should be specially reviewed "in due course."

Mr. Tomlinson's case would be reviewed earlier than that of Mr. Warren.

Mr. Norman Atkinson (Lab. Tottenham) said that when Mr. Jenkins had met deputations, he had left the impression that he would personally look at the possibilities of early release. He added that Mr. Jenkins would probably be accused of political malice.

Mr. Jenkins said he did not accept the account given to Mr. Atkinson of meetings at which the MP had not been present.

"The indication I gave was that this was a matter to be considered by the Parole Board. I left nobody in any doubt that I have no power to override a negative recommendation of the Parole Board.

Soc[illegible] spending to blame —Howe

BY PHILIP RAWSTORNE

BRITAIN WAS now on the point of collapse from a surfeit of Socialism, Sir Geoffrey Howe, "shadow" Chancellor warned in the Commons yesterday.

If the country were to be saved, then MPs of all parties would have to unite in enforcing a change in the habits of a spendthrift Government indulging in more and more expensive legislation.

There could be no easy prescription, said Sir Geoffrey. But the longer remedies were delayed, the worse would be their effects on unemployment and the standard of living.

The Government's rake's progress had become a headlong rush to disaster. "We are very near the end of the line," he said.

"Humbug," retorted Mr. Denis Healey, the Chancellor, challenging the Opposition to say what public spending they would cut and provoking Sir Geoffrey into a slashing attack on virtually every Government programme presented in the Commons since the Budget.

The social contract, said Sir Geoffrey finally, far from curbing appetites, was now actually stimulating them.

If wage excesses were curbed, the Chancellor insisted, the health of the country could fairly rapidly be improved without more drastic dieting.

So long as his warnings about excessive wage increases went unheeded, said Mr. Healey, then he would be forced to prescribe purgative taxation.

"The choice is not for me, but for the British people. Either we moderate our demands for income which we have not earned or moderation must be imposed through the tax system. There really is no alternative."

Except, he added with emphasis later, further cuts in public expenditure.

The country was over-weight and Mr. Healey warned again of consequences of sterling collapsing beneath it.

Indexed savings soon

TWO "MODEST" experimental indexed savings securities will be introduced by the Government shortly, Mr. Edmund Dell, the Paymaster General, stated in the Commons yesterday.

He said the first, an indexed National Savings Certificate, would be on sale from June 2 to people of national retirement pension age, and the second, a new issue of SAYE, would be available from July 1 to savers aged 16 or over.

Mr. Dell added that the Government had no further plans for indexation although the position would be reviewed in the light of experience.

Tories lose disclosure powers battle by 2 votes

BY JOHN HUNT

A CONSERVATIVE attempt to prevent the introduction of compulsory powers to make manufacturing companies divulge information to the Government and trade unions was defeated by a majority of two (15—13) after a bitter battle in the Standing Committee on the Industry Bill yesterday.

In the angriest scenes yet witnessed in the committee, Mr. Michael Meacher, Under-Secretary for Industry, accused the Tories of only representing the "narrow sectional interests" of the business community.

To dissenting shouts from the Conservatives, he claimed that the information powers in the Bill were necessary to bring about "a revolutionary change" in British industry.

There was sceptical laughter from the Opposition when he emphasised that the decision to separate the voluntary planning agreements from the compulsory information requirements in the Bill was "wholly supported by the Prime Minister and all his Ministers."

For the Conservatives, Mr. Tom King, an industry spokesman, alleged that the Government was "trampling on the views of management." Compulsory disclosure would, he said, only increase the growing resentment of industry, which Viscount Watkinson of the CBI had referred to the previous day in the House of Lords.

From the Labour back benches, Mr. Brian Sedgemore, a leading member of the Left-wing Tribune group, thought it was highly significant that Lord Watkinson had chosen that particular moment to launch his attack.

"It is no accident that as we are discussing this clause, the industrial bovver boys from the House of Lords, led by Lord Watkinson, are flashing their knuckledusters," he declared.

The worst fears of the Opposition were only confirmed when Mr. Sedgemore indicated that the Left-wing saw the compulsory information clauses as a way of enforcing the voluntary planning agreements.

"It can be used as a compulsory arm of the planning agreements—although one might not like to say it just like that," he went on.

Where a large company would not enter into a planning agreement, the Government could bring in the compulsory information requirement. It was a good "fail-safe net" for the Government.

The Conservatives were opposing the acceptance of Clause 20 of the Bill, the first of four clauses dealing with the disclosure of company information. It empowers the Government to make an order requiring disclosure by any manufacturing company which makes a significant contribution to the economy.

Mr. King told the committee: The Government appear to be trampling over any views of management. They are paying no attention, and show no respect for their views. They disparage the integrity and the sincerity of management."

Mr. John Stanley, from the Conservative front bench, said that compulsory information orders would "blight" the fortunes of the company against whom they were made. The power to take criminal proceedings against a company which provided the wrong information would also have an adverse effect.

In reply, Mr. Meacher accused the Conservatives of trying to frighten industry. A criminal prosecution would only result where there was deliberate deception in providing information.

He accused them of "the grossest Conservative humbug" in saying that the Bill would result in the leakage of confidential information. The legislation provided full safeguards against this.

He saw the information clauses as part of the revolutionary change which was now desperately needed by British industry, and which had to be brought about by proper social, economic and constitutional means.

He said of the Conservatives: "They have clearly demonstrated the interests they come here to serve—managerial prerogative, managerial supremacy, and managerial secrecy."

Guillotine row breaks

BY JOHN HUNT

THE ANNOUNCEMENT by Mr. Edward Short, Leader of the House, of a guillotine timetable for the committee stage of the Industry Bill met with strong opposition from the Conservatives in the Commons yesterday.

Mrs. Margaret Thatcher, the Tory leader, wanted to know why the guillotine was being introduced when the committee had never sat beyond 7.45 at night.

She accused the Government of imposing the guillotine merely because the committee had reached the sensitive clauses in the Bill seeking to make companies compulsorily disclose information to the Government and unions.

The announcement led to more heated scenes when the committee resumed later in the evening.

Later, Mr. Anthony Wedgwood Benn, the Industry Secretary, told the committee that the guillotine motion stipulates that the Bill shall be reported back to the House by June 12, the Thursday after the Commons resumes following the Whitsun recess.

Short accuses Press and 'primitive' Tories

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. EDWARD SHORT, Leader of the House, yesterday accused the Press of "neurosis and hysteria" when he set himself to deny reports that leading Ministers were getting at loggerheads or abusing the Prime Minister's guidelines.

With Mr. Harold Wilson still on his way back to Downing Street Mr. Short insisted in the Commons that all was harmony within the Government and that the motives of those who suggested otherwise were less than pure.

He vigorously denied that there had been a clash over policy between Mr. Anthony Wedgwood Benn, Industry Secretary, and Mrs. Shirley Williams, Prices Secretary, at this week's NEDC meeting.

He also rejected any contention that Mr. Peter Shore, Trade Secretary, had earlier this week abused the ground rules Mr. Wilson had outlined for Ministers during the referendum campaign.

Mr. Short reacted indignantly to an Opposition suggestion that Mr. Wilson was going to have plenty of trouble to sort out, in particular that created by the "Lord Fauntleroy of the barricades"—a Tory appellation for Mr. Benn.

Mr. Benn was doing an excellent job for industry, the Leader of the House declared, when he deputised for Mr. Wilson during the Prime Minister's question-time.

Tory derision mounted when Left-winger, Mr. Dennis Skinner on the Labour backbenches, intervened to uphold the view that Mrs. Williams had put forward ideas at the NEDC meeting which did, in fact, conflict with Socialist policy — the sort of policy Mr. Benn supported.

What Mr. Skinner objected to was any proposal for a coalition type Government—which Mrs. Williams was accused of advocating. There would be no socialism if the Opposition had any hand in governing the country, Mr. Skinner maintained.

Mr. Short, very much the deputy headmaster in Mr. Wilson's absence, turned the charges against the Tories.

"The Conservative Party is a very primitive party," he told his backbenchers. "It has to have a bogeyman, and the present bogeyman is the Secretary for Industry."

An irreverent Tory called out: "Take a hundred lines."

From the Labour backbenches, Mr. Short was pressed to amplify the Chancellor's recent stress on the need for some tightening of the guidelines. When would a statement be made about that?

Mr. Short said that at the TUC meeting a fortnight ago, it had been agreed that it was necessary to secure wider acceptance and adherence to the guidelines. "And I think this must be the aim in the next few months," he added.

Recess date

THE COMMONS will rise for the Whitsun recess on Friday, May 23 until Monday, June 9, Mr. Edward Short, Leader of the House, yesterday.

REFERENDUM

Scots claim EEC coveting North Sea oil

By Chris Baur, Scottish Correspondent

THE SCOTTISH National Party launched its anti-Common Market campaign in Edinburgh yesterday, instantly accusing the EEC of having an embryonic energy policy aimed at controlling the production and marketing of North Sea oil discovered in Scottish waters.

It is clear that the SNPs "No" campaign is not only designed as an extension of its drive for Scottish self-Government, but that it will also trade heavily on the notion that continued British membership of the Market would effectively sell the "Scottish oil" birthright in which the SNP has invested such considerable political capital.

The party's EEC spokesman, Mrs. Winifred Ewing MP, listed the pro-market predictions of improvements in balance of payments, national growth rate, investment, price levels and employment trends, all of which had proved mythical, she said. But the biggest "con trick" concerned energy policy. Pro-marketeers were "deliberately saying that there *is no* EEC energy policy, when we know perfectly well that there is an embryo policy that is being kept quietly on the shelf until after the referendum."

It was in draft—"I could show you a copy"—and it was going to control the rate of extraction of North Sea oil, the markets to which the oil could be sold and the price it would fetch—"The three vital matters which we in Scotland insist we must control."

Warming to her theme, she continued: "I accuse the Commission and the Council of Ministers of committing a fraud on the British taxpayers in regard to energy policy." Speeches had been made by European politicians clearly foreshadowing EEC control of North Sea oil extraction, prices and markets.

Unpopular policy

In addition, European nations now accepted, she claimed, that Scottish independence was "on the near horizon." Their interest was centred on how an independent Scotland would deal with its oil resources, and Mrs. Ewing acknowledged—in what was perhaps one of the most significant throwaway lines of her Press conference — that the SNP's policy of "selling oil cheaper to nations within the British Isles than to other nations" was a most unpopular policy in Europe.

The SNP, which gathered nearly a third of the Scottish vote at the October general election, hopes to encourage most of those supporters into the "anti" lobby with its doorstep canvassing and leaflet campaign under the slogan "no—on anybody else's terms." The party, whose annual conference in Perth ends just five days before the referendum, makes no unsolicited reference to the stance it will certainly adopt if Britain remains in the Market with or without Scottish approval.

Mrs. Ewing explained, however, that in those circumstances the SNP would immediately seek direct Scottish representation in the EEC. In an independent Scotland there would have to be a new referendum, though then Scotland, as a net food and fuel exporter, would have far firmer options than the present U.K. either to come out with alternative trading partnerships or to re-enter the EEC on different terms — "they will want us more than we will ever want them," said Mrs. Ewing.

● A "No" vote to the Common Market would mean a "catastrophic" rise in unemployment in Scotland, it was claimed yesterday.

Mr. John Brewis, a former member of the European Parliament and former Conservative MP for Galloway, said it was an "open secret" that many new firms were delaying investment plans until they knew the result of the referendum.

'Immoral pressures' prevent anti-Marketeers speaking out

BY IAN DAVIDSON

SYMPATHISERS of the anti-Market cause were being prevented by "immoral pressures" from declaring their opinion openly, a leader of the anti-EEC campaign said yesterday.

Launching the Get Britain Out Referendum Campaign, Mr. Christopher Frere-Smith said: "It is our experience over the past week that there are people in insurance companies, banks, business and organisations subsidised or sponsored by Government who are on our side but are terrified by the pressures that are being applied."

Mr. Frere-Smith seemed to imply that the pressures he referred to were being exerted directly or indirectly by Government authorities.

He claimed that there was one man (unnamed), whom he described as "the head of an internationally famous body," who was unable to come out into the open "because he would lose his job."

Mr. Frere-Smith said the insidious pressures being applied showed a blatant disregard for fundamental democratic rights, and he claimed that there were few free men in a position to take a stand against the European Community

Get Britain Out now has 575 regional groups, he announced, including 467 in England, 41 in Wales and 67 in Scotland. In his policy statement, Mr Frere-Smith argued that if the British people vote for staying in the Community, they will be voting for the end of Britain as a nation.

He claimed that the aim of the Common Market was full political union, and he blamed the pro-Marketeers for not openly campaigning for "their vision of a Britain sharing with its Common Market partners one government in Brussels with common policies across the board."

"For us," he concluded, "the Common Market is an outdated, narrow and selfish concept, but if our partners wish to develop towards full political union that is their entitlement. . . . It is our belief that withdrawal is not only in the best interest of Britain but also in the best interest of the Common Market countries."

He thought the anti-Marketeers could win the referendum if they could get their ideas across to the people, but he repeated his charge that the media, and in particular the BBC, were not being fair in their coverage.

He was "nauseated" by the way Mr. Anthony Wedgwood Benn was being vilified

Get Britain Out was desperately short of money, he added; it had started with £4,000 "in the kitty," but had not received a penny piece of public money.

Also at the Press conference was Mr. William Pickles, the political scientist, who said he could think of nothing more lunatic than to commit a country for all time to a range of commitments under an unchanging treaty.

He pointed out that the Community was having contacts with Greece, Spain and Portugal, and he argued that, if they were to join, it would bring the number of ex-Fascist member states to five.

Postal votes for the disabled

PEOPLE WHO cannot get to their polling stations to vote in person at the Referendum on June 5 may qualify to vote by post.

Application forms for a postal vote will be published in national newspapers to-day and on Sunday and Monday.

Those who may apply to vote by post are electors who are disabled or registered blind persons, or those likely to be too ill to go to vote in person. People who have moved house from one electoral division to another since October 10 last year may also apply, as can a person who is likely to be away on polling day because of the general nature of his or her job.

The form must be filled in and reach the Electoral Registration Officer for the area in which the applicant is registered by May 19.

NatWest adviser urges continued membership

FINANCIAL TIMES REPORTER

CONTINUED MEMBERSHIP of the EEC is likely to be attractive in itself and is far better than any alternative, Mr. David Lomax, economic adviser to National Westminster Bank, argues in the bank's latest quarterly review.

Withdrawal would be a major event in world politics, and not a happy one for the West, he says. A break-up of the EEC would not help the security of the West, and the U.K. would be "forlorn" in economic terms if left outside the Community.

The U.K. would have to buy food and raw materials without the help of any treaty privileges, and sell manufactured goods in competition with other developed countries. Furthermore, the country would be at a disadvantage when bargaining on international trade matters with, among others, the U.S., the EEC and Japan.

Small firms back Market

THE CBI Smaller Firms Council said yesterday that withdrawal from the EEC would have "a serious effect on the country's economy, would damage living standards and jeopardise job security."

A statement issued after the council's monthly meeting at the CBI's London headquarters, said that the SFC reaffirmed its overwhelming support for continued British membership of the EEC.

"The SFC considers that membership is the best framework within which smaller firms can develop their businesses and contribute to national prosperity," it said.

Leaving EEC 'would put up unemployment'

THOUSANDS OF Britons could lose their jobs if the country withdrew from the Common Market, Tory MP Mr. Winston Churchill said last night.

Mr. Churchill, MP for Stretford, Lancs., speaking at a Britain in Europe rally at Withington, Manchester, directed his warning to people in the North-West.

He said: "Continued membership of the European Economic Community is more vital to Manchester and the North-west than to any other region of Britain.

"We form the heartland of British industry, and we must face the reality that to-day the EEC is by far our single most important customer. Well over 300,000 jobs in the North-west in manufacturing and service industries depend on exporting to the EEC.

Scottish Office takes industrial powers from July 1

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE TRANSFER of further important powers from the Department of Industry to the Scottish Office was announced in the Commons yesterday by Mr. William Ross, Scottish Secretary.

The move means that from July 1, the whole of the Department of Industry's Office for Scotland, in Glasgow, and its staff of 160, will become part of the Scottish Economic Planning Department.

The DoI will continue to be responsible for its separate regional development grants office, also in Glasgow.

The transfer will arm the Scottish Office with greater powers in the industrial field than those foreshadowed by the Prime Minister in December, when he said that responsibility for administering selective regional assistance to industry in Scotland would be switched to Mr. Ross.

This aid, in loans, interest relief grants and removal grants, amounted to almost £11m. in 1973-74 and was paid to 195 companies in Scotland.

Mr. Ross will now also assume responsibility for Government factory building, which since the 1930s has been administered by the Scottish Industrial Estates Corporation.

The corporation has built over 300,000 square metres of factory space for manufacturing industry and manages over 50 industrial estates. Present expenditure on Government factories in Scotland is about £10m. a year.

The Scottish Office will also become responsible for "steering" industry to development locations and to local promotion of Scotland

Mr. Ross said in a written Commons answer that "this further increase in the devolution of decision-taking in industrial matters in Scotland," would enable him to proceed towards the creation of the proposed Scottish Development Agency.

Legislation to establish the SDA is now going through Parliament and the Government hopes that the organisation which is intended to undertake the regenerative work of the National Enterprise Board in Scotland, will be working before the end of the year. It will have a budget of up to £300m. over five years.

The staff involved in the changes will continue to be located in Glasgow and will continue to perform (without any change of Ministerial responsibility) certain functions, on an agency basis, for the Departments of Industry, Trade, Price and Consumer Protection and Energy.

These include export assistance to companies, oversight of hire purchase controls and assistance to suppliers of goods to the offshore oil industry.

FINANCIAL TIMES REPORT
Friday May 9 1975

BASILDON

The district of Basildon, dominated by the new town, has a thorough mix of interests, peoples and opinions. It is very much aware of its proximity to London and its importance in a most affluent corner of Britain. It is also well aware of its future economic and social responsibilities.

An affluent new town

This Report was written by HUGH COLVER

THE FEELING of contrasts and interacting forces that imparts itself to the visitor to Basildon comes about through the mixture, in a fairly small area, of a major new town and all that means in terms of population growth, industry, housing, office development and the like; the commuter belt and more traditional small town areas of Billericay and Wickford; and in between the prime Essex farm land.

New town people, in this case they mostly have their origins in London, are inevitably something of a special breed. They come in from the outside to a place they hardly know and are not therefore preconditioned by traditions to think of it, or its potential, in any particular way. They rather anxiously create a community life for themselves, realising the vulnerability of newness, and end up closer in a community sense than many of the older towns whose inhabitants take one another rather for granted and rely too much on a sense of history to provide cohesion.

Basildon has this special new town quality, even though "new" is by now something of a misnomer, since designation dates back to 1949. Billericay, too, it could be said, is something of a "new" town in terms of much of its poplation. So many of them came in from outside because it is a nice place to live and the train to London each morning takes about 40 minutes. But the motive for being in the place is quite different, and that is reflected in attitudes. And then there is the farming community, who have seen Basildon, and to a lesser extent and for different reasons Billericay and Wickford, cease *to be primarily concerned with "serving an agricultural hinterland."* They have seen the most dramatic change, and the contrast between their background, way of life and attitudes and that of the new towners could not be more marked.

This kind of mix must be healthy even though it inevitably means interests tend to differ when issues come to the fore. Try to build a relief road for Billericay and the population will react in complete contrast to the kind of reception this sort of plan will receive in the new town. In Billericay you will get no relief road—the planners have been trying to give them one for some time—and in Basildon you will build it quickly only to find the population saying it isn't wide enough. Wickford seems to have more of a blend of the two types—and they are getting their relief road soon.

The district has a population of 138,000, with 86,000 living within the new town area, a further 28,000 in Billericay, with Wickford and the countryside absorbing the rest. Of the eight new towns created around London during the immediate post-war years, Basildon was unique in a number of ways. It was, first, the closest of all to London. Second, within its designated area it had the largest existing population. And, third, the Development Corporation was charged with achieving extra objectives. For this was not simply a case of taking an open tract of land, formulating land assembly plans, and building a new town from scratch with little or no old development to worry about.

The Basildon Development Corporation first had the task of clearing what has been kindly called "the sporadic development of the previous half century." Phrases like "rural slum" and "shack development" more truly reflect the picture as the Corporation found it. There were miles and miles of unmade road within the 7,818 acres, connecting housing developments of a quite haphazard nature with scattered shops. Of some 8,500 houses, over 5,500 were below Housing Act standards. Many of them had been built as no more than week-end retreats, never intended for full year-round occupancy. But the dire housing shortage that had hit the South East meant many of these were pressed into service as full housing units for complete families.

To add to this problem, and the lack of proper roads and shops, there was also the inevitable lack of essential services. Sewage, drainage, water, telephones, electricity—all these left much to be desired for an area housing so many people.

Overspill

In truth, by the time new town designation came, the problem had reached proportions that would have demanded some form of wide scope redevelopment anyway, and the local authorities of the area at the time lacked the resources, finance and expertise to take on the task alone. London needed overspill areas, and Basildon came about through the thought that the two birds might as well be killed with the one, new town, stone.

Since those days, the population, at present scheduled for an eventful 134,000, has reached over 86,000, the Development Corporation has built over 20,000 houses, there are 232 industrial and service employers, good shopping, adequate leisure facilities and all the trappings of a flourishing, prosperous town. It is manifestly a new town that worked. Charles Boniface, who has been the Development Corporation's General Manager for most of the new town's life, can retire this month proud that he has contributed to the creation of such a place.

The key question now is: where does Basildon go from here? Does it climb steadily to its Master Plan population figure adding new industry, offices and housing development along the way and remaining a *close knit entity in itself, or does it look to a wider, more regionally oriented role?*

Basildon District Council is the only local authority in south east Essex to have expressed a strong belief that the whole area should be regarded as a major growth zone. Over the years there has been a high rate of expansion in this key location so close to London and the whole important Thames area. The local authorities in the area have tended to watch the piecemeal development without thinking in overall concept terms. John Potter, leader of Basildon's District Council, thinks it is time they did.

He sees factors beyond the straight economic growth considerations, believing that Basildon has a role to play in the urgent social problems of London, an idea that comes as something of a surprise to some of those with a stake in the future of Essex.

John Potter believes that for too long places like Basildon have been acting simply as overspill areas. He contends that the overspill-type population moving out of London is mainly the middle-ground productive worker category coming directly as part of the move of industry, the start of new industry and the growth of population. "The balance of the population has been left behind," he says. He refers here to the young, the old, the deprived, and the less capable, and the London boroughs, he claims, have been left with a major problem. "They have a disproportionate share of the problems without the means to solve them," he says, and adds: "That means we have an imbalance, too."

Already, the second generation of new town Basildonians are needing housing in the area, and John Potter believes that on top of catering for their needs, what he calls London's "social overspill" must be catered for too. To meet the needs of, and to do the planning for, a population increase in south-east Essex of 270,000 people between 1989 and 2001, he believes a new authority should be set up along the lines of a metropolitan authority with some of the new town powers and a positive planning approach. Mr. Potter does not believe he or his council to be totally alone in thinking like this. "I think it is in line with Government thinking," he says.

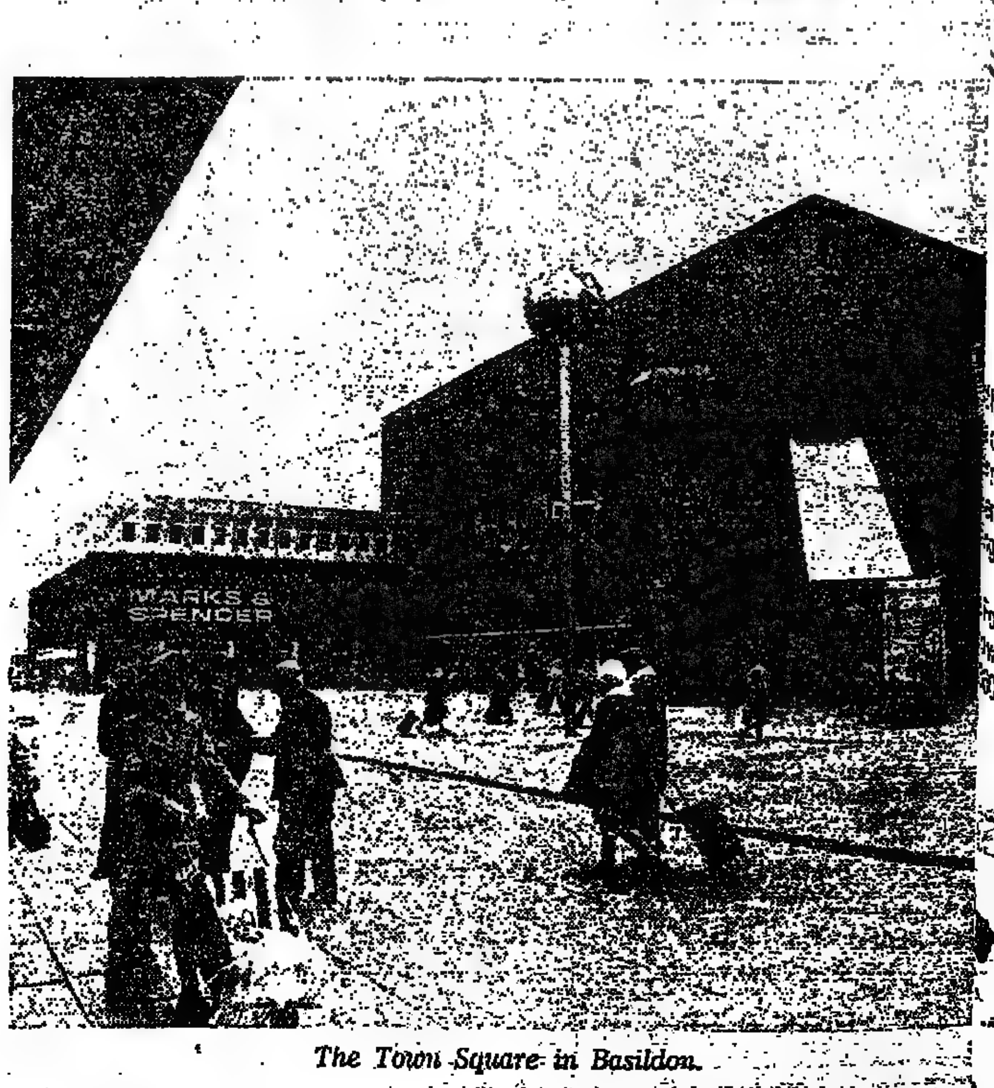
Certainly, there are some warning signs on limitations at present in Basildon, which a wider concept of planning, quite apart from London's "social overspill," might help to s[...] For instance, "one of [...] tragedies of the new town, [...] Mr. Potter puts it, is that many school leavers wan[...] clerical work are not findi[...] locally and travel to London [...] the office job. This is n[...] trend that Basildon can a[...] to let get out of hand. "W[...] not want a dormitory," says [...] Potter, obviously casting his [...] on Billericay where 60 per [...] of the working population [...] mute to London and if you [...] to buy an open space [...] leisure amenity you have t[...] housing land prices.

Pressures

Office development is co[...] to Basildon now, and all [...] that it would have been w[...] to have too much in the [...] stages of the new town, bu[...] need to obtain an [...] Development Permit and [...] definite Government pres[...] for industry and commer[...] go to the development [...] seems to contradict ori[...] new town thinking. "The [...] cept of a new town breaks [...] if we do not have special [...] sideration," says John P[...]

One of the factors that [...] don is feeling the benefit [...] present is that for the first [...] in the town's history, [...] Government, the local auth[...] and the local MP, Eric [...] man, are all of the [...] political colour. Rememb[...] that the Government is re[...] sible for appointing board [...] bers of the Development [...] poration, quite apart from [...] areas of potential clash, must be a useful asset.

Certainly some consisten[...] thought is needed if areas [...] south-east Essex are to r[...] their full potential, wh[...] that is seen in purely eco[...] or social terms. The rural [...] that was Basildon has al[...] seen a revolution. It could [...] find itself the key centre [...] development of much [...] scope. With the Maplin [...] ject shelved, and that [...] potential influence taken [...] the way is now clear in this [...] of the world for something [...] beyond the natural expa[...] that can be expected becau[...] geography alone.



The Town Square in Basildon.

Industry looks for expansion

The premises of Her Majesty's Stationery Office in Basildon.

'HERE WAS never any doubt bout the feasibility of Basildon s a new town site from the oint of view of providing mployment opportunity. An rea so close to London with a opulation nucleus and a manuacturing tradition, plus the ffer of empty space begging for levelopment, was bound to find nough companies willing to tart an expansion ball rolling.

Sure enough, many companies lid come, and the household iames pursue their business on vell laid out industrial estates ide by side with the many maller firms that occupy Basildon's highly successful nursery factories. A drive round he industrial areas reveals iames like Ford, Marconi, STC, Borg Warner, Ilford, Carreras Rothmans and Yardley.

Pressures

Basildon provides employment for 41,000 people but it is nteresting to note that the ravelling to work habit affects he new towns as much as it loes the more traditional towns of the Home Counties. No less han a third of the working population commute out every lay, while slightly more people commute in. For those going out there are, apart from London for office work, the refinery complexes to the south, the ports, and the office centre of Southend.

By far the largest employer in the new town is Ford, with a tractor plant and a radiator plant employing a total of 4,500 people, and a large research establishment at Dunton nearby. A fair number of people in the Basildon district also work at Dagenham which is close at hand. Carreras Rothmans, Marconi and STC are the only other companies numbering their employees in thousands, and the remainder are a good mix of medium-size and small manufacturing and service units—companies like Pembroke Packaging (associated with Ilford), Gilbarco and Carson Office Furniture. There are small industrial estates in both Billericay and Wickford, too.

Industrial sites in the new town area are concentrated in a line of development to the north and the Development Corporation has just made a start on its fourth industrial estate to be let in 1978. Three-quarters of the third industrial area to be opened up is already spoken for.

There has been something of a change of policy over the years in the letting of these industrial areas. Since designation in 1949, the Development Corporation has built many factories and let them to interested companies. The general policy now is for the Corporation to let by site, with the occupier carrying out his own development. There are currently 46 acres in Basildon immediately available to industry, and Mr. E. I. Williams, the Development Corporation's Deputy Chief Estates Officer, reports that just under half of this is the subject of negotiation at present.

Expansion

From an industrial expansion point of view, Basildon is still to some extent collecting its thoughts following the cancellation of the third London Airport project at Maplin. There is no doubt that this development would have had a great impact on Basildon since the town would have been a half-way house between the airport and London. There are various views on just what the nature of that impact would have been. On the one hand, there is the argument that Basildon would have been simply a motorway junction with its environment entirely ruined and no compensatory economic benefit, and on the other hand, there are those who lament the loss of an opportunity to become "a high-rank industrial area like Staines or Slough." There can be no doubt that an airport would have created demands that would have brought great change, but few tears at Maplin's loss seem to be shed in Basildon.

True, the Basildon Development Corporation backed the project, referring to the new airport complex as "the golden gate to Europe," but they are anxious to point out that Maplin would simply have changed the direction of the town's climb to prominence in this part of the world. Like the District Council, the Development Corporation believe in Basildon's role in the major economic growth of this whole region. Being close to London, on the banks of a great trading river, is enough to ensure that, they say, with or without Maplin.

According to the District Council's leader, Mr. John Potter, the local authority did not agree the airport would have brought economic benefits. Mr. Potter talks in terms of only limited advantages for south-east Essex and "great disadvantages," doubts the need for a third airport and seriously doubts the good sense of siting it at Maplin.

Although the whole Maplin idea seems to be regarded as water under the bridge in Basildon, there is officially still a possibility that the port of Maplin might go ahead. This deep-water port was intended to complement the airport with container and roll-on/roll-off berths as well as an oil terminal. However, since North Sea oil has undoubtedly changed the oil importing future, and since similar communications nets would have to be built, as would have been necessary with the airport alongside, this project is generally regarded as a non-starter. Basildon, in common with most places in this part of the world, is settling back to think of its growth in the way it did before the Maplin site became a front runner in the third airport campaign.

Those who saw Maplin as something of a potential thorn in the side still have another industrial thorn to worry about. The infamous Pitsea dump for chemical waste has its 1,300 acres in the Basildon district area. In 1970 just 1m. gallons of toxic waste were dumped here, whereas last year no less than 42m. gallons—and some would say more—found their way to this dump, the biggest of its kind in the U.K.

Emotive

It is an emotive issue and Redland Purle, the operators of the dump, have been given a rough time by local and national opinion. The situation was not helped by the tragic death of one of the waste truck drivers earlier this year.

The problems centre round inevitable public concern at the presence of such a huge dump in the area, and the worries are mainly about the effect on the health of the surrounding populace and the concern about waste trucks choking the road system—from the north, the area's road communications are not good anyway. All parties concerned recognise the problems, but the principal objection remains. Why should Pitsea receive the waste of areas many miles away, and should not the load be shared around the country?

This is at the centre of the District Council's canvassing of other local authorities in an effort to persuade them to take their share of the waste, which most people recognise has to go somewhere. Basildon is certainly intent on putting the brakes on the kind of growth seen in recent years.

The concern over Pitsea points up Basildon's pride in being an important industrial centre, very close to London, yet "out of the smoke." Given the right economic climate there seems no reason why Basildon should not go on attracting industry as it has for the past 25 years or so. In the context of the European Community its location could prove crucial to a new impetus in the years to come.

Office development

THE MASTER Plan for Basildon published in 1965, and still largely the definitive document on which all current planning is based, pointed to an area of development that needed rather more attention than it had been given up to that time. There was a lack of office and clerical employment.

Despite this acknowledgement of an employment opportunity imbalance as long ago as that, the situation has not improved greatly over the intervening years. In relation to its total population, Basildon is behind in office development both in terms of what is considered to be a good balance, and in relation to its fellow new town areas.

A Department of the Environment consultation document on the new towns published at the end of last year showed clearly that office development in Basildon had not matched that in other Home Counties' new towns like Hemel Hempstead and Harlow.

Of course, there are large numbers of people living in the Basildon district who work in offices and have service-type jobs. The number of commuters catching trains to London from Basildon, Billericay and Wickford every morning testifies to that. But there are those who believe that the district would do well to create rather more office employment of its own.

The Master Plan of 1965 showed that in Basildon at that time 63 per cent. of the working population were in manufacturing industry against a national average of 38 per cent., and 37 per cent. were in service and other employment against a national average of 62 per cent. The Plan went on: "The Development Corporation's future policy will be to encourage the establishment of more service employment, particularly office employment, to meet the demands now arising in the new town."

Incentives

The usual service employment, in hospitals, education, council offices and the like, has come naturally with the growth of the town, but office development has certainly been slow. Nowadays, with more young people looking for office jobs, and a 2,000 unemployment figure in Basildon, with some of those London clerical workers among them, the need is greater than ever.

Undoubtedly the closeness to London, and to a much lesser extent to Southend, has been a drawback in terms of encouraging office growth, and Governmental incentives have not been great. Another problem until recently was the surprising lack of a central railway station in Basildon. There have been stations at Laindon and Pitsea for some time, but a central station was not opened until last October.

The Master Plan shows an intended balance of office employment in the three areas of Laindon in the west, Pitsea in the east and the centre of the town. The District Council is now expressing some concern that plans are being concentrated in the centre at the expense of the other two earmarked areas. One of their worries here is the traffic situation. Basildon has its traffic problems, particularly during its fairly heavy version of a rush hour, and some upgrading of roads is undoubtedly going to be required, particularly if more people are to be drawn into the centre to work.

An indication of this drawing to the centre trend, and an illustration of the way Basildon is trying to come to grips with its office development requirement, is the huge 271,000 sq. ft. speculative office development that is nearing completion. Called Station House, this building, assuming it is let without too much difficulty, will greatly restore some of the employment balance since Basildon only has 366,930 sq. ft. of office space at present.

The development, by Amalgamated Investment and Property, is said by them to be the largest single office building development in the Home Counties. The developers are hoping for large block lettings in this building, and it will be interesting to see how the market responds. Other major office developments have been planned, but the current economic climate puts a question mark over them. Station House alone, though, could do much to alleviate a problem that was beginning to stand out.

Turning to housing, the Basildon Development Corporation has an impressive house building record, and the result, full of variety and open space, looks rather better than in some other areas where housing land has been assembled and developed from scratch. The corporation has built 20,217 houses since its formation and says it will build at a rate of 1,000 houses a year "at least for the next five years." Add this to an expected 500 houses a year built by other agencies, including housing associations, and it is quite an ambitious programme. Apart from natural growth in present industrial employment, plus the attraction of new industry and an increase in office employment, the residential property planners have to take account of Basildon's increasing regional draw attributes, particularly if the hopes of major expansion throughout south-east Essex come to anything.

Trends

One of the interesting aspects of planning and development in new towns is the constant monitoring that goes on to ensure things are happening as planned, or to see if trends are appearing which ought to be catered for. There is not so much unchannelled community change as there is in older places.

One official of the Development Corporation points out "We are constantly testing the temperature of the water, so we notice these things and identify them earlier than other communities." In Basildon one of "these things" was a need to accommodate single people—a socio-economic group somewhat neglected by planners. In Basildon, the recognition of special need has given rise to a new development that is proceeding now—special accommodation designed for single people.

Naturally enough, the needs of the elderly have always been met, though there is still uncertainty about whether they should be accommodated as part of general housing and development, or given special areas of their own. Are they helped by the proximity of the young, or do they want to be with their own kind? It's a familiar problem.

New towns have the great advantage that right from the start of their existence they can plan to be a certain kind of place, with a certain kind of employment opportunity and a good architectural mix in housing. Given that Basildon is making up some of the ground on office development, a balanced community does seem to have been achieved, and the commuter belt temptations in housing development to which Billericay has succumbed have been avoided.

BOOKS

Victim of the system

BY C. P. SNOW

Prisoners of Honour by David L. Lewis. Cassell, £3.95. 346 pages

Goughie by Anthony Farrar-Hockley. Hart-Davis MacGibbon, £8.00. 403 pages

Prisoners of Honour is a modern study of the Dreyfus Affair. It is almost impossible to write an uninteresting book about the Affair, and Mr. Lewis hasn't begun to succeed in that difficult feat. In fact, this is much the fairest, fullest and most competent of the treatments in English. Mr. Lewis is an American academic with all the virtues of his kind, and plenty of his own.

He seems to be totally familiar with the whole range of French documentation, including the most recent work, some of which is revelatory. And also he doesn't fall over backwards, as Guy Chapman did, to represent that everyone concerned on the side of the Army were thoroughly good chaps just doing their innocent best for the honour of the service. Over-compassion can be as much a moral trap as under-compassion, and a peculiarly hard one for amiable men to escape.

Actually, the Affair showed human beings at something like their least elevated. Very few of the characters on either side emerged from the story with their characters looking more admirable—perhaps Dreyfus's wife, the venerable senator Scheurer-Kestner, some of the minor figures, such as Pannizzardi, the Italian Military Attaché, and Forzinetti, the Governor of the Military (Cherche-midi) Prison, French in spite of his name. For the rest, there they were, as we should probably have been in the same situation, no better than our kind usually manages to be.

What did those French officers—most of them impeccably upper class and *bien-pensant*—think to themselves and say to each other? For they weren't innocent or not for long, or if they were it was with the species of innocence which is itself guilty. It is possible that the Affair began with the assumption that *of course* Dreyfus was the traitor. Someone had passed on information to the Germans. Why not Dreyfus? He was Jewish. His colleagues had bitterly resented having a Jew on the general staff.

What was worse, he was industrious and competent. He looked like going a long way on merit. He wasn't liked. He does seem to have been remarkably lacking in charm even when in society which was not professionally anti-semitic (what a pity, said Proust's Duchesse de Guermantes, with not unusual callousness, that we can't change Dreyfus for Esterhazy, who is so much more amusing). In military discussions, Dreyfus seems to have been insistent, opinionated, assertive, and maddeningly right. Of course, they may have thought he was the traitor. But they can't have thought that for long. If the Affair didn't begin as a conspiracy, and that is not entirely to be ruled out, it very soon became one.

General Mercier, the Minister of War, a man of intolerable self-righteousness, was in it from early on, right up to the neck. On the evidence, he stands out as the prime culprit. Sandherr, the Chief of Intelligence, was just as committed—though mortally ill, and performing his last living service by disposing of Dreyfus. Henri, a promoted ranker, was prepared to do anything which would please his superiors, including perjury and forgery. Once in the duty mode, he would have done worse than that. Gonse, the Vice-Chief of Staff, was stupidly corrupt. The handwriting experts came up with any answer thought desirable. Du Paty de Clan had a mildly Woosterish endearingness, and may have started honest. Successive Ministers of War would have had to fool themselves even to start so.

Remorse? In all the records, there is negligibly little sign of it. A great deal of remorse is a literary convention, and it is sensible not to be over-impressed by writers when they are imagining a crime. Many people don't feel remorse at all, unless they are frightened of being found out.

The remarks about Dreyfus on Devil's Island, by those responsible for sending him there and knowing the truth, make the nerves freeze. Incidentally, on Devil's Island, he was treated with deliberate brutality, and two evildoers ought not to be forgotten, the gaoler Deniel and the Minister for the Colonies, Lebon.

Dreyfus stood it with bleak stoicism. The curious thing is, as someone said, he probably wouldn't have been on his own side if he hadn't been the victim. His brother, Mathieu, was a more sympathetic character, but it is not easy to like many of the Dreyfusard supporters. Zola was brave, but his motives for intervening were mixed: of course, it is better to have mixed motives for intervening on the right side than on the wrong. Picquart was brave beyond ordinary limits, but he was a rigid idealogue. He couldn't forgive Dreyfus for accepting a pardon (as if the poor devil hadn't gone through enough), clamoured for complete victory for the cause and for revenge on the enemy, and finally wouldn't shake hands with or recognise the Dreyfus brothers because they had let the cause down. The most agreeable Dreyfusards were probably the intellectual circles which included Proust and his friends and the young Left-wing catholics, such as the staunch Charles Péguy. He and his group redeemed their communion at a time when the behaviour of the Church and heirarchy had nothing whatever to be said for it.

Dreyfus

Could anything like this have happened here? Not in the same terms. There has been no precise equivalent in England to the relation in conservative France of Church, Army, the upper class, or their proselytising anti-Semitism (though there was a good deal of the latter here in the Dreyfus period, which, which we are inclined to forget). But in principle the answer is yes, something like this could of course happen here.

If you doubt that, read General Farrar-Hockley's life of Hubert Gough. To get the best out of this very good book, one needs to be interested in military history and particularly in that of the 1914-18 war. The moral point, though, will be clear to everyone, interested in military things or not, who studies how Gough was victimised after March 1918. Gough was an Anglo-Irish gentleman, an excellent professional soldier, hampered like Dreyfus by a capacity for making enemies. Unlike Dreyfus, he was very good fun. At the end of Farrar-Hockley's book one becomes attached to Goughie. Unfortunately for him, he was commanding the Fifth Army, on which the last great German effort of that war fell.

It has been agreed by all military historians since that Gough did as well in that battle as any commander could have done. This is now taken for granted. It was believed by competent persons at the time. Haig told Gough so, and told more influential persons something different. The army, the government, had to find a culprit-victim. Gough was sacrificed with the utmost completeness and cynicism. He wasn't allowed an inquiry. Reputation, career, even social connections, all dropped away. He had to live to a great age to see some of his good name come back.

Cloth cap hero

BY GEORGE MALCOLM THOMSON

Keir Hardie: Radical and Socialist by Kenneth O. Morgan. Weidenfeld and Nicolson, £8.00. 343 pages

It is easy enough to see what were the qualities that made James Keir Hardie the first real demagogue of the Labour movement. To start with, he was intensely vain, with a passion for attracting attention to himself by wearing unconventional clothes. His arrival at the House of Commons in a cloth cap and yellow tweed trousers is only the best-known example of his ability to capture the eye of the beholder. If the beholder disliked what he saw, so much the better. He would be all the more likely to talk.

Mr. Morgan's biography of Hardie contains photographs which reveal his subject in various strange outfits; for instance, in full Highland costume and, heaven knows why, wearing a kimono during a visit to India.

He was at work from the age of nine and was unemployed and destitute at eleven. After that, he became a miner. But it was certain from the word "go" that Hardie was not going to finish his life in the pits. The world of ideas and speech, especially public speech, made too powerful an appeal. He became a Christian, member of the Morisonians, a small Scottish sect existing "not so much to construct a theology as to win souls;" cloudy, romantic, evangelical and intensely puritanical.

Nor was puritanism the only strand in Hardie's complex character. He married young, a girl he met while on Good Templar work and, as his biographer makes clear, found in marriage an inadequate emotional fulfilment. He had the physique, the vibrant voice, the aura of earthiness which some women found irresistible—"left wing" girls like Annie Hines, radical ladies like Sylvia Pankhurst.

In the Glasgow temperance movement of the eighties immorality was apt at times to be great; later, the gospel of Labour gave wider opportunities to its preacher. Women who fell under his spell were regaled with scones and readings from Shelley and tales of his sufferings in childhood. The temperance banner was soon not gaudy enough for the Junior Chief Templar. He was drawn into radical politics at a time when the Labour movement had not yet cut the umbilical cord with Liberalism.

Hardie now found himself dealing with men who were better educated and more sophisticated than he. He aroused as much distrust among them as he did interest among the women. Friederich Engels called him "a shifty politician, partly ridiculous, partly dishonest." But one blinding glimpse of political truth was given to him. He saw that Liberalism was the enemy. He disliked Liberals personally—too smooth, clever and patronising. He predicted the death of their party and urged his colleagues to hasten the event.

It was a sound tactical instinc[t] which helped to make up for th[e] fact that Hardie was unbusiness[-]like and untrustworthy as [a] party leader, that he kne[w] nothing about economics and no[t] very much about arithmetic an[d] he quarrelled with Rams[ay] MacDonald, a man as conceited a[s] he.

Much of Mr. Morgan's interes[t]ing and well-documented book [is] taken up with the in-fightin[g] that went on between long for[-]gotten Socialist cliques. Th[e] details of these almost — bu[t] not quite — obscure the fact th[at] Hardie was a man of real huma[n] qualities, and that, part[ly] through these qualities ar[d] partly because of the time [at] which he came on the scene, [he] played a decisive role in wrenc[h]ing the British Left fro[m] Radicalism to Socialism. [He] helped to ensure that the gre[at] divide in British politics shou[ld] be one between class and cla[ss]. This was not inevitable. It w[as] perhaps disastrous. But it w[as] largely the work of the man [in] the cloth cap, a Scots miner w[ith] more than his share of genero[us] impulses and smouldering sentiments.

Australian vision

BY H. A. N. BROCKMAN

Historic Houses of Australia. Australian Council of National Trusts; Cassell, £15.00. 300 pages, Illustrated

This is a fascinating book with some peculiar faults. Each house, and there are 37, is dealt with by a different author and each treats his subject historically and architecturally. Because the history of these houses covers the most interesting emergent periods of Australia's story the result is tantalisingly patchy; there is no continuity in the text and no index. Some of the writing is indifferent and there are some inaccuracies.

The portraits of King George and Queen Mary obviously cannot have been hanging in the Ballroom of Government House, Adelaide, before 1901. To describe the neo-gothic Heronswood, Victoria, as "in a way . . . the progenitor of the Queen Anne style" is ludicrous. The Art Nouveau leaded lights around the entrance door to Raiahyne, Brisbane, are not "typical of the period," 1888, and are much more likely to have been placed there in about 1911, as at Kurralta, Adelaide.

The architectural descriptions of these buildings are far from objective and in one case ridiculously eulogistic: It is the excellent illustrations which most. It is surprising that so of these houses are still roo[fed] in corrugated iron, or [iron] sheeting, sometimes replac[ing] the original shingles, even fine Franklin House, Tasma[nia]. But the variety is engag[ing]; most of the buildings ha[ve] been put up when Western [archi]tecture was itself in its [most] eclectic period.

The most "colonial" appearance is Queensland's A[...] Lookout, said to have b[een] designed by an English ar[chi]tect named White, but no [...] is given for the house or [its] history; the influence is Am[eri]can of the turn of the cent[ury]. Far more English is [...] Adelaide, 1840, a severe sin[gle-]storey building of brick design[ed] by Sir George Kingston, who [was] also responsible for two [...] houses in the book, Ayers [and] Kurralta.

Kingston's designs have classic simplicity in which t[...] stand out from the mass. [Per]haps influenced by Soane. [Ty]pically the most interestin[g] [is] the lavish design with a [struc]ture wholly of highly decor[ated] cast iron, fabricated in Gla[sgow], shipped in pieces to Ge[elong] without an address, lying o[n the] wharf unclaimed until boug[ht] for a song and put togeth[er] [as] Corio Villa, Victoria, in [...]

Fiction

End of Indian summer

BY MARTIN SEYMOUR-SMITH

A Division of the Spoils by Paul Scott. Heinemann. £4.90, 599 pages

Black List, Section H by Francis Stuart. Martin, Brian and O'Keefe. £4.25, 425 pages

Smudge by Nicholas Armfelt. Hutchinson. £3.75, 207 pages

The Unveiling by Rudolf Nassauer. Cape. £2.95. 191 pages

Living Room by Sol Stein. Bodley Head. £2.95, 309 pages

Paul Scott's *A Division of the Spoils* is the last volume of his tetralogy "Indian Quartet": its predecessors are *The Jewel in the Crown*, *The Day of the Scorpion* and *The Towers of Silence*. The subject of India when treated by English writers is an almost notorious stumbling-block. The intrepid writer has to compete with E. M. Forster's *A Passage to India*—the best of all in this genre—as well as with certain superficial but racy and readable adventure stories set in India. He may feel, too, that he has to compete with L. H. Myers' *The Near and the Far*—but Myers' "Elizabethan" India was, as he himself admitted, an imaginary and not a historical creation.

Paul Scott's "Indian Quartet," rightly described as an "elegy for the decline and fall of the Indian empire," is above all a solid achievement. His India, at least, is an essentially historical re-creation, abundantly documented; each strand of thinking or feeling is skilfully gathered up into the ultimately tragic web. The work has gained him lavish praise from reviewers, but has not yet led critics to treat him as a major English novelist.

This is surprising but perhaps (for once) justified. The documentary aspect of the novel, the background of the events—this final volume takes us to 1947, the year of the British withdrawal—is superbly balanced and is, one suspects, of as much or more historical value as any non-fictional account.

The sense of tragedy as Hindus and Moslems prepare to ruin their new-found freedom is movingly conveyed; there is no bias. But the author's characters are, as he remarks in a note at the end, "imaginary." And here, though efficient, he falls down. There is excellent observation of group behaviour, some finely rendered dialogue; the psychological analysis is never less than intelligent. But these characters, though they move through troubled and dangerous times, are wooden.

Paul Scott tends to subordinate their individuality too entirely to the situation in which they are caught. One might think (though I do not believe that Mr. Scott holds the view) that this tetralogy had been written to prove the thesis that our immediate environment is the sole cause of our thoughts and actions. Yet one must salute the "Indian Quartet" as an indispensable guide to a complex episode; and one must applaud the passion and sensitivity with which it has been written.

Francis Stuart was born in Australia, educated (he says "educated") at Rugby and has lived most of his life in Ireland. He seems, indeed, to have taken on many of the well-known characteristics of his adopted country. He married Iseult, the daughter of Maude Gonne (Yeats' great love), was interned by the Irish Free State for his republicanism, became a farmer and "characteristically, was once a compulsive gambler." He spent the war years in Germany and broadcast to Ireland, for which the French forces detained him for a time. He has thus had an interesting life, and *Black List, Section H* is a semi-fictionalised account of it: "only real people appear in it," he writes, "and under their actual names where possible." It is an unusual, powerful and often informative book.

The novel is candid, comic and excessively unhappy. It isn't the work of a great writer because its language is too often mundane; but it *is* something of an achievement, in these days, to write a book that truly shocks. The reader may find himself jerked out of his own complacency.

Smudge is about a neurotic headmaster and his adopted 12-year old daughter, Smudge, whose semi-nihilistic explorations of the adult world shatter it. Mr. Armfelt brilliantly captures and emphasises the child's mentality, half-innocent and half-wicked: but this is not a truly realistic novel, and his conventional treatment is consequently too often banal and lucubrated. The novel as a whole lacks the exuberance of its theme: it reduces what should be a near-surrealist, though significant, creation to a real and somewhat commonplace one.

Rudolf Nassauer's technically adept story of a professional gambler who is attempting, with the help of a playwright, to give some *meaning* to his wrecked past, is good enough (and this is rare) to recall Proust. The gambler's grotesque history is given a meaning beyond the grotesque by the playwright's devotion to it; the whole may be read as a deft parable on the enriching results of imaginative introspection.

Sol Stein's *Living Room* examines the predicament of an American woman who has risen to the top, who has surmounted the obstacles of living in a male-dominated world. But she wants more: so the book begins as she approaches her window with the intention of throwing herself out of it. . . . This is as often funny as sad, and is to be admired for not attempting to offer a complete solution—and for posing an unpopular question. The writing is in a familiar, "edited" American style; but the content frequently overcomes this obstacle.

The Burgundy pattern, dating from the 17th century, for the King of Hearts and Jack of Clubs—one of the illustrations in "Playing Cards and their Story" by George Beal (David and Charles. £5.50)

Orator extraordinary

BY ROBIN LANE FOX

Cicero by Elizabeth Rawson. Allen Lane. £5.50, 341 pages

I was brought up to believe that Cicero was the most conceited personality in literature before Conan Doyle's Brigadier Gerard. Elizabeth Rawson does her best to dispel this, by pointing out that Romans liked to vaunt the glory of their ancestors, that Cicero was "nouveau" and he therefore only had his own feats to emphasise, his ancestors being mean provincials. He was often on the brink, politically, so those fulsome passages of self-praise may have been a cautious insurance against a sudden attack on his position.

Maybe, but among those who keep up their Latin for pleasure I know very few who still choose to read his works. If they want prose they go for Tacitus whose story lies more on the surface and whose style seems so brilliant because it appears to break those Sixth Form rules. But Tacitus is only a historian. He does not speak so immediately for the world of villas and philosophic evenings, law, cliques, mannered correspondence and traditional religion which remain at the heart of Europe's consciousness of old Rome, despite modern mutterings of class and massive exploitation.

Cicero lives here through his letters, which Miss Rawson quotes whenever appropriate. Those who think him tedious should turn first to their marvellous wit and vigour. But what, then, of the orator, however pompous, the failed politician who at least died for what he had championed, the author of the *De Officiis*, that astonishing best-seller in 17th century Europe? As a poet he may not have been as bad as his enemies implied. As a philosopher he is more illuminating than you might believe and there are always the civilised touches, such as his visit to Archimedes's neglected tomb while on business in Sicily.

Miss Rawson aims to present all these many sides of Cicero without losing her reader's interest in the surface narrative. Her quiet style and clear story are a pleasure. She slips in some telling details of the wider Roman background and she does not make mistakes, though there are hints of a view of the Roman orders which could not be rigorous enough for some historians. She is too shrewd to ignore the rules by which the Roman game was played, above all the maze of political finance. It is most important that Caesar, Crassus, Cicero and the rest lent, borrowed, pledged gigantic sums to one another as the only way up a political ladder which offered no salary and demanded the most conspicuous show for its climbers. When Caesar went to hear the results of the election to Rome's senior priesthood, he knew he would return a bankrupt if his massive expenses on this once-sacred office had not assured him victory.

Victory, as Cicero found, improved a man's chances of extended credit, and credit on such a scale meant more villas, clients and marble, more prestige for further advances. But there were no banks and no constant money supply. If you found yourself stranded by the Budget, consider the fate of a Caesar when the supply of coinage, physically, had run out and private money-lenders were calling in their huge cash loans to the upper classes. Assets could turn out to be horribly cheap in the Roman Republic too.

Inevitably Miss Rawson has difficulty with the day-to-day politics of 65-43 BC, and the subjects of her sentences change at times as bewilderingly as those in a school Latin text. But the colour, the coolness and the scandal are more fascinating for being played quietly. If the politics of archaic Greece suggest pre-colonial Africa, Rome's have a definite dash of modern America. I need only mention the fuss over P. Clodius, who was accused of dressing as a woman while holding Rome's senior priesthood and secretly attending a solemn female festival in Caesar's house when he was believed to be having an affair with Caesar's wife.

I do not think, however, that she has caught Cicero fully for what she might call the general reader. She is content to tell a story very nicely, and she refrains from the ingenuities which can, however, set a reader's blood racing. But she does not take or give a clear view of Cicero's own outlook and attitude, abundant though the evidence is. Her account of Catiline's famous conspiracy in 63 BC is probably right not to waste time on theories of Catiline's innocence and Cicero's shadiness, but it fades away without penetrating the central question, why Cicero saw it and reacted to it as he did. So, too, with his religious outlook. The man who aspired publicly to the office of augur and believed that the fate of Rome was firmly bound up with the traditional "peace of the gods" also wrote a splendid pamphlet refuting beliefs in omens and divination. Miss Rawson admits she may have made Cicero too intelligible, and I think the religious background is one of her problems. There is far more to grasp here than a contrast between "superstition" and "enlightenment."

Glory gone

BY CHARLES CROOT

Antiquities Acquired by C. P. Bracken. David and Charles. £4.95. 210 pages

Western Europe did not begin fully to appreciate the glory that had been Grecian architecture and art until the turn of the 17th century. Until that time, the fashion had been to admire the Roman art that is so often an indifferent copy of Greek originals. When realisation began to dawn, the French and the British, among others, began an unsystematic search for antiquities in an ancient nation that had become a run-down province of the Ottoman empire and apathetic over the conservation of its ancient marvels.

A French ambassador acquired the Venus de Milo, dug up by chance by two peasants working their land on Melos, for some £200. Lord Elgin had to pay more for the marbles that bear his name. His estimate was that the cost—including transport and interest—was £62,400. A Parliamentary Select Committee bought them from him for £35,000.

Although Lord Elgin would probably not have recovered his costs had he sold to the highest bidder among any of the European nations, considerable profits were made by others involved in antiquity hunting for purely commercial motives. The damage done to the antiquities of Greece is incalculable.

Miss Bracken writes of the spoliation of Greece with a restraint that only just cloaks her horror of what was done. She has drawn on contemporary accounts and the result is a highly readable book which needs no expert knowledge or dedication to read. The author does not draw any comparison between the unthinking exploitation of Greek antiquity with the equally unthinking exploitation of mineral resources which is currently commanding attention. But one cannot help but note a parallel.

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The Executive's World

EDITED BY JAMES ENSOR

The Paterson, Zochonis bid for Cussons raises some questions of corporate style. As **Nicholas Leslie** argues, it is a case of

Traders and traditionalists

IMPERIAL LEATHER is a widely recognised brand of soap easily distinguished by its wedged-end shape and selling normally at a small premium over other brands at the upper end of the market. It has a wide following of devotees, some of whom appear to be almost aggressive in their praise of it. But it also sells well.

Which is all rather admirable considering Imperial Leather is made by a modest Manchester-based company which could quite easily get lost in the balance sheets of its three main rivals, Unilever, Proctor and Gamble and the U.S. Colgate-Palmolive group.

The company is Cussons Group, currently subject of a £6.3m. bid by Paterson, Zochonis and Co., another soap manufacturer and a general trader, also based in Manchester but operating principally in West Africa, particularly oil-wealthy Nigeria.

Cussons' directors and their advisers, Rothschilds, have rejected the bid as inadequate and, anyway, they don't see the logic in it. PZ and advisers, Schroder Wagg, obviously feel quite the reverse, but are having a difficult run so far and have had to extend the bid by a fortnight in hopes of gaining control.

The high flying world of Imperial Leather

Differences

Behind all this there are clearly wide differences of philosophy, which may well prove very difficult to resolve given the added factor that both companies are actually (in PZ's case) or effectively (in Cussons) family controlled.

That the Cussons family has held the reins for so long must account for the company still being independent. It has been sounded out in the past by the big corporations, but they have always so far withdrawn. But "effective" is not legal control and perhaps it takes a family concern to test the loyalties of another.

PZ's aim is to get into the U.K. soap market via an established up-market brand which would top off its own essentially middle-range soaps and also to spread itself geographically from its essentially African markets. Cussons is really the only company to fit that bill.

It is not easy to define Imperial Leather's success in competing with such major brands as Palmolive, Fairy and Lux, but the product itself is certainly a major factor. Imperial Leather soap has not only a distinctive smell, but also a feel which is due partly to it having a rather different mix of fat and oil compared with other brands. The company's promotion, from distinctive packaging to such advertisements as the latest television offering showing a sybaritic family enjoying the pleasures of luxury baths aboard an airship while natives clamour in the jungle below for bars of the soap.

Cussons activities have grown diverse, but remainly largely in the field of cleaning agents. The brand name covers a range of toiletries, but there are also other branded toiletries, such as bath cubes. Gerard Brothers supplies other manufacturers as well as the group with soap base and makes "own brand" soaps for a number of retailers.

Additionally, such well-known products as 1001 carpet shampoo and window cleaner and Dri-foam carpet cleaner add to the range of products. Travel goods and packaging, still to show their paces, complete the group's activities.

The U.K. is still Cussons major market, but exports and overseas manufacturing have long been a feature of the business. There are manufacturing subsidiaries in Australia and New Zealand, South Africa and Kenya, while licensing agreements for manufacture operate in a further 40 or so countries and sales are made in around 150 countries.

The importance of overseas markets was re-emphasised in 1971 when, as recently explained by the company in its bid rejection document, the Board embarked upon a long-term policy designed to develop market penetration.

Overseas

The need to develop the overseas side of the business is obvious—the U.K. soaps market is a declining one. Thus, with one of its major single activities Cussons is faced with having to fight harder to either increase or at least maintain its share of a contracting market. This is one of the areas where PZ clearly feels it can assist Cussons by providing extra financial muscle.

PZ's road to soaps was very different from Cussons. The company was founded in 1884 by the great-uncle of the present chairman, John Zochonis, together with a Scotsman, Mr. Paterson, after they had met up working in the same merchanting concern in Sierra Leone. The Patersons have long-since departed, but the still strongly Greek Zochonis family has remained firmly in control.

Early activities were general merchanting in whatever there was a market for. But from the beginning Manchester has been the headquarters, so it was on Anglo-African trade that the company was built up. Goods merchanted range across electrical equipment, textiles, provisions, bicycles, building and construction materials and a host of other products. West African trade is centred on the strong Nigerian economy, spreading throughout Liberia, Cameroon, Ghana and Sierra Leone.

Having developed a strong merchanting operation over many years, PZ then decided to add manufacturing activities. This led, in 1948, to the purchase of a small Nigerian soap manufacturer which has since been developed to include toiletries, cosmetics and, quite recently, powdered detergents. The third arm to the African business, and still quite small, is the Thermocool Engineering subsidiary in Nigeria which makes domestic refrigerators, freezers and light fittings. PZ also has one U.K. manufacturing operation, Roberts Laboratories, which makes proprietary medicines such as the Zubes range of throat and cough products.

A strong impression emerges from the two companies that whereas Cussons has developed products within a particular field and then developed markets for them PZ has searched for markets and then found products to fill them. This, together with an undoubted wish by Cussons to remain independent, may well account for the antipathy which exists.

PZ's offer is well in excess of the assets value of Cussons' shares, which leaves the latter's Board resisting in the strong belief that the price does not properly reflect the value of the Imperial Leather and other brand names or the value of the world-wide links which Cussons has established. Simon Cussons has already stated that a strategy of developing export trade on a broad basis takes longer and is initially more expensive than developing consumer products for a single geographical region, "for example, West Africa."

While Cussons may be defending itself from a position of strength with its brand names, its profit record is a less useful defensive weapon. For the year to March 31, 1975, pre-tax earnings of £1.2m., on sales of £19.25m. are forecast—ten years earlier in 1964-65 profits totalled £855,000 on sales of £6.53m.

Admittedly, as Cussons has argued, price restrictions in the U.K. have hit earnings, but with less affected direct exports and overseas sales now accounting for a sizeable proportion of the total, Cussons finds itself with a credibility problem in seeking to suggest that great things can be expected from the groundwork done overseas.

The record begs the question of whether Cussons, in establishing links throughout the world, has the degree of financial strength to properly exploit those markets. PZ clearly thinks it has not and that it can provide that degree of support. At the same time, PZ obviously has its eye not only on further promoting Imperial Leather in the U.K. (it is unlikely it would try a major launch of one of its own, more middle-market soaps) but also on exploiting Cussons' overseas distribution network to the advantage of its own products. In five years, PZ's soap profits have risen from £444,000 to £2.17m., on sales up from £2.17m. to £16.82m.—margins in the meantime have narrowed from 20.5 per cent. to 7.7 per cent. Group profits in 1973-74 were 4.87m. on sales of £74.73m., before crediting a £1.15m. currency profit, and £7.5m. is forecast for for 1974-75.

The family

Simon Cussons has said that those members of the family he has been able to contact are against the bid. It is a close family, including the two surviving children of the founder —Alec, the former chairman, who now lives in South Africa, and Marjorie, the company president whose husband, Mr. H. C. Goodwin, is also on the Board — and six grandchildren, including Simon.

But it is not only family with which PZ has to contend. The balance of the Cussons voting shares is held among small shareholders, institutions being in evidence mainly as owners of non-voting equity. Thus, the "loyalty barrier" may well prove more difficult to breach since straight commercial and financial arguments, which institutions normally base their decisions upon, may not prove to be the principal criteria for winning over shareholders.

Unions go to the OECD

By Norris Willatt

REPRESENTATIVES of the international trade union movement recently had meetings in Paris with representatives of the Governments of OECD member countries, to put forward their latest proposals for controls over multinational companies by international agencies. This was just the latest in a series of initiatives aimed also at, for example, the United Nations, the ILO, GATT, and the EEC.

In some ways OECD is considered the best prospect for the enactment of some kind of regulatory programme, possibly because of its broad representation of industrialised countries in which the multinationals are actually based. At the same time, OECD officials have shown themselves willing, as at this latest meeting in the French capital, to talk.

The nature of the unions' proposals had been previously agreed at an earlier meeting in Paris at the beginning of March, in the form of a working party attended by representatives of the International Confederation of Free Trade Unions and International Secretariats representing workers in different trades, such as chemicals, metals, food and textiles.

The main conclusion reached was the need for regulations to be based upon shop floor experience. The drafters should be fully aware of the functions of shop level regional and national trade union representation, in the words of Herr Herman Rebhan, general secretary of the International Metalworkers' Federation.

The trade unionists for their part want to obtain access to comprehensive financial, economic and social data which they claim the multinationals should be forced to divulge in both the reports of the parent and of the national subsidiaries.

Barber's young men at Leyland

BY TERRY DODSWORTH

It is a significant irony of Mr. John Barber's departure from British Leyland that four of the most important members of the youthful management team which takes over are his appointees. Three of them, like Mr. Barber himself, share a long training in Ford. Two of them followed in his footsteps to AEI. All of them have a common background in finance. So can we really expect a significantly different management style from these men?

The question arises because it is this, above all, which has led to Mr. Barber's removal. Both he and Sir Don Ryder, who led the team of inquiry into BL's affairs, have stressed their divergence of views about the right structure for an automobile company. Sir Don wanted a financial holding company, while Mr. Barber—who says that such a system is unknown in the industry—wanted a totally integrated organisation.

Paradoxically, the strength of the system outlined by Sir Don —a small corporate staff with decision making pushed out into the divisions—could be its acceptability to the kind of financially trained professional managers who have emerged under Barber's guiding hand.

In the major line management jobs only Mr. Ron Ellis, 49-year-old head of Truck and Bus, is a long-serving BL man. Mr. Alex Park, chief executive elect, joined British Leyland from Rank Xerox, an exceptionally finance oriented company: Mr. Derek Whittaker, managing director of the car division, has worked both for Ford and AEI/GEC—both of which have strong financial control systems; Mr. David Andrews, new international division boss, is a former controller in Ford of Europe; and Mr. David Abell, who gets special products at the age of 32, has in his short career moved from Ford to AEI, BL, First National Finance Corporation (he has a reputation for financial wizardry), and back to BL where he was put in charge of last year's sale of the Australian plant.

The acceptance of the new structure by the new men, in spite of obvious sympathy for Mr. Barber, is unequivocal. Mr. Alex Park made this quite plain at the House of Commons committee inquiring into the motor industry earlier this week. The new organisation would work, he said, because the men running it knew how to operate under the constraints and commitments of tight financial control and accountability.

Mr. Derek Whittaker

Mr. David Abell

Mr. David Andrews

In practice, of course, it will not be quite so simple. Perhaps the main danger of the new organisation is the potential weakness of Mr. Park's office in relation to that of Mr. Whittaker. Mr. Park will have only a small corporate staff: Mr. Whittaker, commanding a turnover of well over £1bn. and 70 per cent. of the total business, will have a large and powerful staff (probably based at Coventry), charged with the long-term issues of finance, sales, manufacturing and product engineering. How can Mr. Park effectively control the key product decisions of the car division?

The problem is to some extent echoed in the international division, responsible for the U.K. exports, and therefore in an area of potential conflict with the product divisions.

Basically, Sir Don's response to these criticisms is that the structure is right and it now depends on the men. Great care, he told the Commons' committee, had been taken to "get the chemistry right" by choosing managers who would work well together. On the face of it he has chosen a group of rational, highly professional men, who will operate in a disciplined way and turn their backs on the politics and intrigue which became a part of BL in the post-merger years.

All the same, Sir Don has taken a series of interesting gambles in his appointments. At international division, for example, he has taken an unusual course with the choice of Mr. David Andrews, an unassuming accountant with little marketing experience, who contrasts sharply with some of the more flamboyant salesmen who have run the show previously.

Mr. Park and Mr. Whittaker are more extroverted characters. Both are very much products of their financial training, extremely factual, direct to the point of bluntness, and prodigious workers. Where the questions arise, as with Mr. Andrews, is over their experience.

Neither has ever run anything even approaching the magnitude of BL before: Park, 48, came from an immensely profitable company, Rank Xerox, but was only number three or so in the organisation there. Before that he had worked at Cummins (he is an engineer as well as an accountant), at Monsanto and T. W. Ward. Whittaker, at 45, knows plenty about building cars—he started working life in Briggs Motor Bodies, now part of Ford —but his only general management job previous to BL was at the GEC electric wire group, (turnover £45m., employees 5,000), and no one knows whether he or anyone else in his organisation has the flair to produce saleable new cars.

What appears to have impressed Sir Don, and certainly their colleagues at BL since they joined (Whittaker arrived three years ago, Park has been there only 16 months), is their combination of financial knowledge and commercial judgment. Park is said to have become convinced that BL could not continue in its present form within four months of his arrival, and soon started to persuade the Board to change course. Whittaker, an alumnus of both Ford and GEC control systems, has an unusual blend of accounting discipline and commercial forcefulness.

In his last 18 months at Cowley, he has also shown the determination to reassert management prerogatives which many had feared lost in parts of BL—sitting out two major disputes (the recognition strike led by "The Mole" Alan Thornett, and the engine tuners' strike).

Mr. Whitaker's bluntness is echoed by Mr. Park, who also has a fondness, displayed at joint BL management/union meetings, for setting out the "facts" and describing the consequences—although at BL they are not likely to have the same freedom to act on them.

While neither has the ebullient extroversion of Lord Stokes, both men seem to enjoy a certain Northern brashness. (Mr. Park is a Yorkshire man, while Mr. Whittaker comes from Cheshire): and neither has made any effort to lose his accent. Both appear extremely self-confident, untroubled by their responsibilities and somewhat younger than their age. Will all that change in the next 12 months?

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FRIDAY, MAY 9, 1975

Sterling and wage rates

YESTERDAY'S further drop in the weighted exchange rate of sterling against other currencies may have been due to the fact that many foreign exchange markets were closed for Ascension Day. But the fact remains that this gradual downward drift has now continued for several weeks, and that no all-out effort seems to have been made by the authorities to arrest or reverse the trend. This in itself clearly seems surprising to some people, since a drop in the exchange rate will cancel out part, at least, of what it was hoped to gain from lower commodity prices and tend to make imported foodstuffs and raw materials more expensive than they would otherwise have been.

This, no doubt, is why the Chancellor stated yesterday, as he did a week ago, that he did not want to see a further depreciation of sterling. Such a movement of the exchange rate would tend to put further upward pressure on costs just when external factors are moving in our favour and when by far the greatest part of the pressure on domestic costs is being generated by domestic wage increases. It would reinforce the effect of increased taxation in cutting consumption, but it would make the problem of inflation easier to solve only if it pushed unemployment up to a higher figure than the Government professes to have in mind for the coming winter.

Market pressure

Whatever the Chancellor may want to happen, however, he has admitted that there will obviously continue to be a risk of strongly adverse market pressure on the exchange rate so long as the current rate of inflation in the U.K. remains considerably in excess of that ruling in other industrialised countries. Such a differential rate of inflation not only tends to make U.K. exports steadily less competitive but to promote speculation about the way in which the exchange rate is likely to move in the months ahead. No doubt a large part of the short-term money that helped to cover last year's record payments deficit will remain in London unless the situation becomes much worse, because it is difficult to find a suitable alternative home for it; no doubt, despite the present weakness of sterling, some surplus oil money is continuing to come in.

But the problem of financing the deficit was becoming more difficult even in the final quarter of 1974. Since then, despite the measures introduced in the Budget and the warning speeches which the Chancellor has continued to make since the Budget, wage claims are still being put forward—with the public sector taking a strong lead over the private sector in this respect—well in excess of guidelines laid down by the TUC which themselves seemed to many commentators, at home as well as abroad, to be insufficiently rigorous. While other countries are steadily reducing their rate of inflation, we are not, and this must inevitably serve to weaken confidence in sterling.

Public spending

The authorities could, of course, seek to peg the exchange rate at some arbitrary point by drawing heavily on the reserves and available borrowing facilities. In the present situation, however, it is at least possible that many outside holders of sterling would take such a stand as an admission of weakness and one that was bound to fail: and the speculative pressure, given the reinstatement of the one-way option, might rapidly become too strong to resist. The present policy of allowing the market to establish its own trend so far as both exchange rates and short-term interest rates are concerned, is the best.

But there seems to be a growing feeling that the slow downward drift of sterling is unlikely to continue for much longer. Recent market rumours about the possible terms of an IMF loan to Britain may have been wide of the mark, but there is this much truth in them: it has in the past been external pressure on the exchange rate that has forced Governments to intervene with the force needed to bring inflation under better control. It will not do to counter excessive wage increases with higher taxation. It will be necessary instead, as Mr. Healey has warned on previous occasions, to make further cuts in public expenditure.

The true cost of home subsidies

MOST PEOPLE are by now aware that housing subsidies are among the most rapidly rising items of Government spending and are likely to be among the main targets in the next batch of public expenditure cuts. But it is not so widely appreciated that the true cost of housing subsidies is far greater than the amount of public money being spent would indicate.

In fact both tenants and owner-occupiers are paying far less than the true market price for their homes. Even if council tenants had to pay all the current costs of local authority housing, with no central government grant or help from the rates, they would still be paying far less than the true market rate.

Tax position

Owner occupiers are also aided in concealed ways. Ever since "Schedule A" was first frozen and then abolished, they have not had to pay tax on the annual income derived from their homes. This notion of income in kind from home ownership may seem a little abstract. But its meaning can be grasped by looking at the deterioration in the tax position which would result from selling one's house, moving into an uncontrolled tenancy, and investing the proceeds in other assets. A second item of subsidy arises from relief from accrued capital gains tax on a single dwelling which, again, would not be provided on an alternative asset. Naturally both owners and council tenants feel that they are already hard done by, and would resist any attempt to reduce their financial privileges.

The political sensitiviy of the whole issue has been shown again by Mr. Crosland's request to the Building Societies to lend more to home owners to make up for the reduction in municipal loans.

The only hope of injecting any rationality into the present system, by which most of us subsidise ourselves with our own money, is to consider all types of housing together and present a package deal which would be fair to all categories.

An essential first step has been taken by an LSE economist, Mr. John Odling-Smee, in a paper to a recent Institute of Fiscal Studies Conference. He estimates that in 1973 the average local authority tenant received a true subsidy, taking all elements into account, of £280. Owner-occupiers received about the same. On the other hand tenants of private unfurnished dwellings received only £210, even after taking into account the full extent to which their rents were kept below market levels by controls. Yet they were on average a good deal poorer than either owner-occupiers or council tenants. Occupants of private furnished tenancies, who included some of the most hard pressed cases of all received hardly any subsidy.

The total true subsidy bill amounted, according to Mr. Odling-Smee, to some £5bn. in 1973. This could well be equivalent to £7bn. or more in 1975. It is probable, too, that recent policy changes have improved the position of the tenant relative to the home occupier. The 1973 sum was twice as much as the total of receipts from rates and more than twice current spending on education. A mutual self denying ordinance to forgo all the subsidies would enable taxes to be cut so much that people would be able to afford the "loss": and aid could be received by those who most need it, and who are often not reached by the present system. Mr. Odling-Smee does not go that far; but he does suggest that the element of subsidy on each home should be clearly stated, which would be a first step towards sense.

Northern Ireland's new Convention held its inaugural meeting yesterday. **Dominick Coyle reports**

Sombre prospects for Ulster's latest last chance

AS "last chances" go, the Ulster Constitutional Convention which had its inaugural meeting in Belfast yesterday faces a dismal prospect. The three loyalist parties making up the United Ulster Unionist Council (UUUC), having secured 55 per cent. of the vote in last week's elections and 47 of the Convention's 78 seats, are in no mood for compromise. Yet there is no way that the Province can return to peace without one.

The predominantly Roman Catholic Social Democratic and Labour Party, too, is sticking to its hard line and insisting that there must be power-sharing in any new Ulster Administration and that recognition must also be given to the so-called "Irish dimension," the geographical fact that the Province shares a common border with the Irish Republic. The small non-sectarian Alliance Party, which would dearly love to build bridges between the two warring factions, is really impotent in Convention terms, since it does not hold the balance of power.

Standing in the wings

The provisional IRA, meanwhile, is standing in the wings, ready to return to its bombs and bullets campaign throughout the U.K. to frustrate any political settlement in Ulster with which it disagrees. The IRA's basic demand—repeated in a hard-line statement in *Dublin* yesterday — remains that the British Government must signify its intention to withdraw ultimately from Northern Ireland.

Already the impasse seems complete, but then that is the way it has been in Ulster for more than five years now. Indeed, what last week's Convention elections have so clearly demonstrated is that over 1,200 deaths and many years of terrible terrorist violence and destruction have changed nothing—or very little. The UUUC Parties won five-sixths of the Protestant vote in support of their campaign for no power-sharing, no surrender to Dublin, no break in the link with Britain and the re-establishment of Protestant majority rule at Stormont.

It is true that there have been some voices of moderation since last week's poll—from Loyalist and Catholic spokesmen alike—but the impression persists that these are being directed essentially towards Westminster and at public opinion in Britain as part of a jockeying manoeuvre by each side to show that any failure of the Convention to agree on new political arrangements for the Province will be the fault of the other.

It is, on any sober reckoning, a very poor last chance. Mr. Merlyn Rees, the Secretary of State, dismisses any talk of the Convention being a last chance as "irresponsible," and one can only have sympathy for the man who, whatever the odds, must keep on trying to reconcile the apparently irreconcilable. Yet his own signed introduction to the Government's discussion paper, "Constitutional Convention Procedure," contained this pertinent assessment: "If the Convention seeks to proceed simply by majorities trying to coerce minorities or minorities being obstructive rather than constructive, then it will fail.

The Rev. Ian Paisley (left) and Mr. William Craig: they have no intention of pledging the Protestant vote to power-sharing.

If the Convention does not pursue the search for concessions, if it seeks solely to count heads rather than to reconcile differences, then it will fail. It will have failed not only to meet its statutory terms of reference but, even more seriously, it will have failed the people of Northern Ireland. The price of failure would be high. There is no ready-made alternative system."

But this is precisely the attitude about to be adopted by both the majority and the minority in Northern Ireland. Political leaders on each side have gone public on their minimum requirements, and neither side will "break faith" with the electorate. Compromise in Ulster politics brings its own inevitable penalty, as Mr. Brian Faulkner, the former Prime Minister, discovered in his South Down constituency last week when, ignominously, he just scraped home there for the final Convention seat on the ninth count.

This was the same Mr. Faulkner who had easily topped the poll in every election over 20 years, but he was also the man who, in Loyalist eyes, "sold out" when he accepted the leadership of the power-sharing Executive established as part of the Sunningdale settlement. Mr. Roy Bradford, another of the "Sunningdale Ministers," tried to change political horses midstream, to leave Mr. Faulkner and the Executive and move towards the UUUC's brand of Protestant intransigence, but without formally taking the label. In the East Belfast constituency last week he had his answer from the electorate—a mere 2,600 votes and no place in the Convention.

The Sunningdale formula failed on two main counts. It gave no voice to the hardliners, including the Rev. Ian Paisley and Mr. William Craig, while Mr. Faulkner was pushed by the London and Dublin Governments and by the SDLP, to accept a power-sharing package and an institutionalised North/South Council of Ireland which he could not sell to his own Unionist Party supporters. To most Ulster Protestants then—and it remains the case now—a Council of Ireland was the start of a slippery slope down the road to an eventually re-united Ireland. The Ulster Workers' Council strike in May of last year put paid to that cross-border concept, and to Mr. Faulkner's power-sharing Executive.

Using their majority

This time Messrs. Paisley and Craig, joined in the Unionist Coalition by Mr. Harry West, who now controls the official Unionist Party, know that they have the Protestant vote, and they have no intention of pledging it to power-sharing. Instead, and after the Constitutional Convention has got into its stride — almost certainly of talk rather than actual negotiations — they intend using their majority to recommend to Whitehall and Westminster within three or four months the formation of a new regional administration at Stormont and the enactment by Britain of a new Bill of Constitutional Rights which, to quote Mr. West, "will not only safeguard Northern Ireland, but will also ensure that every citizen there is equal before the law and every citizen, of course, must be subject to the law as well."

The law which the UUUC has in mind is law administered by a Government at Stormont through the Royal Ulster Constabulary, the type of law which existed there before the outbreak of the present violence. This is the law which the SDLP rejects, since the Catholic Party is not prepared to recommend acceptance by the minority of a form of policing for Ulster unless and until it can support whatever form of political Administration is to replace direct British rule. Needless to say, the form of Government now envisaged by the UUUC does not fall into that category.

Is then, this whole Convention process worth while? The answer of the British Government is a very definite "Yes;" it is a process which must be followed if only because it represents an opportunity for the people of Ulster to try to work out their own political destiny, albeit subject to some stringent criteria of acceptability laid down in the White Paper following the Sunningdale collapse. In other words, if the Convention fails, it would not only represent a failure of the people of Northern Ireland, through their elected politicians to work out their own salvation but, more importantly, it would be seen clearly as such by the British people as a whole.

Sunningdale was an imposed solution, in the sense that the main pressure to agree on a power-sharing Executive and recognition of the Irish dimension came from the London and Dublin Governments. A failure of the Convention would reduce still further the reasonable options open to the Government. A continuation of direct rule (which of course continues anyway while the Convention deliberates) is not itself a policy: it simply buys time and is, in fact, disliked by politicians on both sides in Ulster, because it gives them no control over affairs, even over minor constituency matters which are not controversial.

British officials now believe that failure to agree in the Convention—and that is what they privately accept, although they are obliged to maintain an air of public optimism—will be followed by a concerted Loyalist demand for the full integration of Northern Ireland into Britain, the "solution" long since advocated by Mr. Enoch Powell. It is also, be it said, a formula which would be opposed totally by the Ulster minority, by the provisional IRA and by the Government of the Irish Republic. Further, there are no indications that it would be acceptable at Westminster—it certainly would not be accepted by the Labour Party.

Integration remains the basic policy of the Rev. Paisley, and this could mean something of a split in UUUC ranks, since Mr. Craig and Mr. West are essentially devolutionists and may well argue that what is good for Scotland and Wales post-Kilbrandon should serve as an acceptable basis for Ulster as well. Yet all three Parties in the UUUC will be anxious to avoid giving even an appearance of disagreement within the Loyalist camp, and already there is pressure for the Coalition to be formalised into one Ulster Unionist Party.

Given the Government's refusal to accept a majority recommendation from the Convention, on the basis that it does not measure up to the criterion that any new Administration should command "the most widespread acceptance throughout the community," and assuming that full integration was not acceptable to Whitehall, Ulster Loyalists are then likely to think more in terms of independence, preferably negotiated with the British Government. Some hardline elements would not, however, exclude the prospects of trying a form of UDI.

It is at such a stage that a very real risk of all-out civil war would emerge, even assuming—and it is a mighty assumption of itself—that the existing Provisional IRA truce can be continued while the Constitutional Convention reaches deadlock or is dissolved by the Secretary of State. No one is really sure what motivated the Provisionals to agree to a unilateral ceasefire in the first place, but it is doubtful whether their leaders will agree to an indefinite extension of the truce simply because they have secured a degree of contact with the Northern Ireland office in Belfast through the terrorists' political wing, Provisional Sinn Fein.

Maintaining ceasefire

Some British officials still take the view that the longer the IRA ceasefire lasts, the more difficult it will be for the men of violence to return to the streets. The current strategy is to keep the Parties in the Convention talking for as long as possible while giving whatever measure of "official" "recognition" is necessary to maintain the ceasefire. In fact, the Provisionals have yet to achieve any real political gain and their ultimate decision to boycott the Convention elections means they have no direct place at the negotiating table. However, there is one positive gain for the gunmen, and potentially it could be very important in the future. Mr. Rees is continuing to release more and more detainees as part of his promised response to a genuine and sustained cessation of violence and the Provisionals are getting back some of their top and most experienced military activists.

The Provisionals themselves not only reject the Convention but also dispute that the SDLP represents the Catholic minority: certainly the Provisionals' boycott campaign did cost the SDLP some seats last week. If, as appears likely, the Convention formula collapses through the refusal of the UUUC to share power with the minority, then there must be a risk that more and more Roman Catholics will, however reluctantly and unrealistically, once again see the IRA as their "ultimate protectors." In a nutshell Ulster would then be back where it was five years ago.

MEN AND MATTERS

Mathews the interface man

The irony of Lord Robens chairing Vickers as its shipbuilding and aircraft interests are about to be nationalised is obvious enough. Here is a former head of a nationalised industry, and further back a Labour politician who thought he could have led his party, fighting to keep a private company out of government hands. But then Robens's break with Labour is well established.

More subtle is the position of his managing director at Vickers, Peter Matthews, who in the absence of Robens in the U.S. yesterday filled in to introduce the Vickers report and accounts. For this is nationalisation the third time around for Matthews.

He was nationalised, denationalised and re-nationalised at Stewarts and Lloyds steel company. The first time "I was almost too young to know what was happening." The second government takeover took Matthews to the British Steel Corporation. But in May, 1970, he left to become managing director of Vickers. Sor institutional shareholders had been trying to ginger-up the Vickers management and Matthews was the man chosen to head the team.

But there is a further wrinkle: for Edward Heath decided that BSC could also do with the Matthews' touch again, made him a deputy chairman, and he was once thought of as a successor to Sir Monty Finniston when the time came. So Matthews has one foot in the public sector and one in the private and it's even money in which role Anthony Wedgwood Benn disagrees with him most.

The feeling is mutual. The Vickers accounts reveal that one thing the state may take over from Vickers is a cruise liner which Vickers has built but whose owners cannot take delivery through financial problems. Matthews remarked that he would be happy to offer Benn the boat and a one-way ticket. He also said that he had been led to doubt "the Government's integrity" in talking of fair compensation.

If, said Matthews, the aircraft and shipbuilding sides were taken out on something like the basis on which Stewarts and Lloyds was nationalised the second time, then he would be happy. He is unlikely to have cause for any cheerfulness.

"It's from those East Wittering people—it says 'Dress Optional'!"

All pull together

With a clearing banker running UDT, the Lifeboat's largest beneficiary, another one at Keyser Ullmann, and now clearing bankers everywhere at First National Finance Corporation, second largest recipient, the rescue pattern is confirmed. The boat should presumably glide more smoothly now as Competition and Credit Control fades away and leaves a hole in the clearing banks' assets.

But Pat Matthews, architect of FNFC, insisted he was most happy with the arrangements. FNFC was a "new enterprise" now, he said, and Maurice Denton, the NatWest man moving in as joint-managing director, was "very likeable." How would Matthews respond to sharing power with Denton? "I rather like the idea. I don't believe in personality cults."

John Glyn, who becomes chairman, replaces Lord De L'Isle, who has been with Matthews for the past nine years. Glyn joined FNFC at the Bank of England's behest a year ago.

Cosmic pleading

How can lawyers lose when the next world insists on its day in court? Norton Simon, American financier, has just settled an American lawsuit brought against him by India on behalf of an ancient Hindu idol. The idol represents Sitapuram Nataraja, the Hindu Lord of the Cosmic Dance. Twenty-one years ago, it was taken from its temple at Tamil Nadru, Madras, for repairs: India claims the restorer had a copy made, sent a fake back to the temple and sold the original on the London art market.

The original was bought eventually by the Norton Simon Foundation. Under an agreement announced yesterday the foundation will keep the idol for ten years and then return it to India. The Indian Government had originally sued the foundation for $5.5m, or the return of the figure. The disputed idol is actually held at a London art restorers under a British court order.

India's lawyers said that under Indian laws the idol "is a juristic person and legal entity, entitled to sue to vindicate its rights." It was thus a plaintiff in the U.S. court action, demanding "to be returned to its worshippers who have been deprived of their freedom of religion by its absence."

Bookish

The spate of criticism of British affairs in the American media rolls on. The Wall Street Journal, which seems to have adopted the U.K. as a textbook example of misguided Left-wing policies (witness the recent "Goodbye Great Britain" bulletin) has delivered a waspish editorial on the subject of authors wanting payment when library books are taken out.

Mind you, the journal wonders, "how else can an author make a decent living under British socialism, which has taxes up so high that a fellow has to do his reading on the cheap?" As for the readers, it is predicted everyone will soon have no option but to rely for reading on libraries; the paper suggests darkly that customers may vow not to check books out "but to stand and read right there at the shelves."

Sporting

Treasury economists have been nursing for a couple of years the ignominy of defeat at the hands of similar specialists from the Bank of England. Revenge has come in the form of a 2-1 victory on the football field at the Bank's Roehampton ground. A spokesman for the Treasury side tells me that more frequent clashes with the Bank are planned; the Treasury also hopes to take on teams from the CBI and the TUC.

Observer

POLITICS TO-DAY

BY DAVID WATT

In answer to our ungovernable friends

"SAVE me, Oh, save me, from the candid friend." Canning's famous line should be applied to almost all members of the anglophile, liberal Establishment of the U.S.—Dean Acheson, Stewart Alsop and now Mr. Eric Sevareid—who try to tell us, doubtless from the best possible motives, what is wrong with the government of Britain. Their criticisms are founded, for the most part, on a view of these islands that was already anachronistic when it was formed during or just after the war, and now bears almost no relation to what we are or aspire to be.

Mr. Sevareid's effusion on American television this week was full of tell-tale solecisms. No one who had seriously thought about the real problems of this country in the 1970s would put Britain's "ebbing military strength" at the top of his symptoms of decline, or would state that the argument about nationalisation turns on a belief that workers in nationalised industries will "joyously work the harder." These and similar slips ("thousands of middle-class people move out of London every year, like New York") betray a lack of up-to-date understanding that ought to put us on guard against other generalisations contained in the critique.

But what are these generalisations? They are easily summed up. Britain is becoming "ungovernable" because political tune is being called by doctrinaire socialists and/or Communists in the trade unions who believe that sharing wealth is more important than producing it and who wish to assist the long-range strategies of the Soviet Union. Some kind of "backlash" (though not necessarily a military one) is building up in opposition to this process and heaven knows what will happen. I believe for reasons which I shall describe that much of this is beside the point. But the embarrassment is that the whole picture bears a startling resemblance to much of the gloom that is now circulating round the Conservative Party and in some quarters in industry.

As usual American comment merely repeats, in a form distorted by trans-Atlantic nostalgia and over-simplification, the view purveyed by the British Establishment on its visits to the U.S. The demoralisation of our own ruling class is mirrored in the contempt and concern of theirs.

Reality

What, then, is the reality? Is Britain really becoming ungovernable? Let us consider what this would mean. In the present context it would imply (a) that the present Government and its advisers had a plausible strategy for dealing with Britain's economic problems, but were unable to implement their plans, thanks to the defiance of some section or sections of the community; or (b) that an alternative Government and its advisers had a plausible strategy but could predict with fair certainty that they would be no more successful in implementing it than the Government; or (c) that in the event of the present Government failing, the attempt to introduce an alternative was frustrated by inadequate constitutional arrangements.

On the face of it all three of these conditions seem to have some relevance. It is true that the Labour Government's attempt to control inflation by means of the social contract is being frustrated by the defiance of the trade unions, and it is quite arguable (though not yet certain) that the attempt to beat inflation by monetary restriction, as outlined in Mr. Denis Healey's last Budget, will fail for the same reason. The Conservatives maintain in some moods, that their own monetary policy would succeed where the Labour policy failed—presumably because it would be carried out with more ruthlessness—but it is a very commonplace view in Conservative circles at present that if fate wafted them into office next week, they would be even less able to cope than Labour. As for the third condition, it is frequently said in despairing tones around the Palace of Westminster that there is no certainty that Mr. Harold Wilson and his colleagues will in fact be penalised for failure. The Constitution is not sufficiently flexible (even when there is only a Government majority of three) to ensure that, when one set of politicians make a mess of things, something else can be tried quickly.

It is frequently said in despairing tones around the Palace of Westminster that there is no certainty that Mr. Wilson and his colleagues will in fact be penalised for failure.

It is these perspectives, and the prospect they imply of an almost endless drift and decline, which currently fill the vision of so many politicians, businessmen and commentators. It is likewise these perspectives which have produced in recent weeks a flurry of Conservative discussion about our constitutional arrangements. Sir Keith Joseph and others have been heard canvassing in private the virtues of electoral reform and a new Bill of Rights. The words "legitimacy," "authority" and "consent" have been much bandied about, and even that constitutional last resort—the referendum procedure — has been referred to with indulgence in some surprising quarters.

The general argument is a familiar one. The problem, it may be said, is the Executive's subservience to the tyranny of a minority (in this case the trade unions) and its inability to mobilise the majority of the public to defeat it. Let us, therefore, take steps to re-enlist the majority on the side of the Government, thereby restoring its authority and legitimising any measures introduced to cut the tyrannous majority down to size. The introduction of some form of proportional representation would produce coalition Governments and thus strengthen the centre. A Bill of Rights would reassert the claims of individuals against pressure groups (including trade unions). The referendum could be used as a device to protect entrenched clauses of the Constitution (and so prevent change) as well as to mobilise further support against "over-mighty subjects."

These devices, quite apart from their general attractions, have tactical advantages of various kinds appropriate to this moment. Electoral reform would naturally have the enthusiastic support of the Liberals and the Nationalists. It would also greatly please the business community which (when it thinks about the matter at all) sees coalition government as the best hope of continuity in industrial and economic policy. (Mr. Anthony Wedgwood Benn's much-publicised gibe at Mrs. Shirley Williams during Wednesday's meeting of the NEDC touched a sensitive nerve precisely because everyone present was aware of all the coalition gossip, most of it built around Mrs. Williams and her friends, which has been going on at the interface of the business and political worlds for some time.)

The tactical point about the Bill of Rights is that it would offer undoubted advantages to the Left as well as to the Right. In return for the right to peaceful demonstration or protection from administrative abuse—all good radical stuff—the Left might be prepared to let through the right to free access to the Press or the right not to belong to a trade union. Certainly a plausible case can be made for the proposition that it is easier to curb the power of the trade unions by this kind of indirect device than by the frontal assault on them through an Industrial Relations Bill.

The difficulty about all this is not that these innovations are not valuable in themselves. On the contrary, they may be extremely valuable, particularly the Bill of Rights which is probably essential for the many reasons set out in Sir Leslie Scarman's brilliant Hamlyn Lecture, "English Law—The New Dimension."* The difficulty is simply that the remedies proposed do not *necessarily* cure the mischiefs complained of and even if they do so, it will only be after a long time-lag. Proportional representation has been known in some contexts to do no more than reflect the fissures of a divided polity and we cannot be sure that it would have the desired and opposite effect here. As for the Bill of Rights, its operation in producing a less frenetic and more unified society could hardly begin to show results for many years.

The truth is that mechanical constitutional devices cannot produce political stability if there is no fundamental agreement, any more than mechanical economic devices can produce stability in their own field. In each case the art of politics and political leadership is paramount, and there is no possible substitute for it. Authority and legitimacy have to be earned the hard way—by success, by persuasion, by cajolery, by bluff and by inspiration. Other things may assist, but they cannot substitute for these ancient crafts.

Fault

This brings us back to the outset of this discussion, for I assert (though I cannot prove) that the fault in British politics lies mainly with the politicians and not with the public, or the trade unions, or the business community. There is nothing inevitable about the tendency in British politics to give way to pressure groups, to tell the electors that they can have something for nothing or that their expectations, far from being excessive, are natural and just. There is nothing in the British Constitution which lays us open to these evils, indeed it always used to be asserted that our constitutional arrangements had precisely the opposite effect. What has happened is that British politicians, and perhaps the whole British middle-class, has lost its nerve, and until it recovers it, the prospects are bleak. It is not that Britain is ungovernable: it is that the governors refuse to govern.

What, then, is the outlook? Not, perhaps, as bad as it looks. It seems to me that the present Government, after a bad start, has at least the beginnings of a plausible strategy and in spite of its ludicrous divisions has given evidence that it contains some politicians of skill and character. I do not believe that its authority and that of Parliament has slipped beyond repair and I do not think that if, for instance, it chose to react vigorously to a further economic decline—whether by fiscal means or even by the imposition of a wages freeze—that it would either fail or be disobeyed. The only proviso—admittedly a large one—is that it should show some guts and assurance in its handling of these affairs and that its opponents do not moan more than the circumstances strictly warrant.

Mr. Sevareid does not seem to understand a great deal about the situation. But he can hardly be expected to understand more than those who confuse inability to govern with weak government.

* *Stevens £1.50.*

Letters to the Editor

Freedom to debate

From The Chairman, The Stock Exchange.

Sir,—Lombard in writing of "Stock Exchange Aberration" (May 8) has missed the point.

The statements made in last week's advertisement are Mr. Rockefeller's, not those of the Stock Exchange. If he or any subsequent speaker were to state a contrary view, this would be advertised in the same way. The Stock Exchange believes that it is important that major issues of this sort are debated publicly. That is why the series of Chairman's Lectures has been instituted.

It may be pertinent to point out that the purpose of the Stock Exchange Lectures is that they be given by distinguished international figures who have complete freedom as to the choice of subject and how they treat it.

The Stock Exchange, believing that what is said will be of general interest, is advertising each lecture as it takes place and offering to make copies of the full text available to anyone who may require them. The advertisement last November in your own paper and others of the address by Dr. Campos on how Brazil set about fighting inflation attracted over 2,500 inquiries from all parts of the world.

George A. Loveday.
The Stock Exchange, E.C.2.

GLC property sales

From The Chairman, Greater London Council Finance Board.

Sir,—One of the most valuable senses which any politician can possess is that of hindsight, and it is interesting to see that Mr. Roland Freeman (May 3) is one with that priceless attribute. For those less gifted, it would have been difficult to have had the foresight in 1957 to realise that rent reviews would become an accepted part of future commercial property transactions. As far as I can ascertain, these reviews were virtually unknown at that time, but perhaps Mr. Freeman will be able to advise your readers of all the Tory-controlled councils which were then operating such a policy.

As to the sale of the freehold of the Shell block, presumably on an investment value basis, Mr. Freeman is surely not recommending that the council should put the property on the market in its present depressed state. If, and I emphasise if, a sale was contemplated, I suggest that the only sensible course would be to attempt to agree on a "marriage value" with the leaseholders. Indeed, I understand that this possibility was explored by the previous administration, but that terms could not be agreed and the idea was not therefore pursued.

Mr. Freeman mentions other "large property investments" held by the GLC. I fear that he is now somewhat out of touch with the realities of the situation, for there are comparatively few such properties still in the ownership of the council which are not needed for service purposes. Unfortunately, his friends at County Hall did sell off a considerable number during their term of office, in accordance with a policy which I believe they will come to regret. Indeed, there are many authorities of the same political complexion as Mr. Freeman which have been, and still are, totally opposed to the selling of corporate property. Perhaps Mr. Freeman should make some enquiries of the City corporation, which has had good reason to be grateful for the income received from its estates which include properties held in public ownership for many generations.

John White.
Members' Lobby,
County Hall, S.E.1.

Financing London

From Mr. B. Feldman

Sir,—Dr. John White (April 29) blithely ignores the realities of financial life. By any standards, an offer for sale where only 13 per cent. is taken up by the investing public must be regarded as a monumental failure. To say otherwise is gobbledegook at its most glorious.

I did not claim (April 24) that the Greater London Council's total debt of £1.6bn. was financed at 13 per cent. but merely projected what the effect would be *if* it were.

There are very many GLC, London County Council, and Middlesex County Council loans, totalling £295m. maturing in 1975, 1976, 1977 and 1980, which bear very low interest rates averaging around 7 per cent. When they are refinanced, they will carry much higher rates of interest, probably a further 6-7 per cent. per annum, and an extra £18m. per annum will be borne in debt charges.

But, presumably, Dr. White knows this only too well, which makes it all the more sad that he has chosen to ignore the central theme of my earlier letter. The surest way to reduce the burden of mounting rates is to take a serious look at debt, expenditure, revenue and assets. There are many millions of pounds of assets which could be sold without offending anyone's cherished principles, and this would reduce our debt, our expenditure, our cost of funding, and, of course, our rates.

Basil Feldman,
Member of the Housing Management Committee,
The County Hall, S.E.1.

The source of money

From Mr. B. Minchin

Sir,—If an employer's lack of funds is irrelevant to a wage claim, and calls are made for "the Government" to foot the bill, then,

Sidney Weighell
Means to steighell
From the £ in your pocket,
To meet his rate
One can only inflate
Or in higher taxes dock it.

B. S. Minchin.
52, St. Lawrence Avenue,
Worthing, Sussex.

An inspector might call

From Mr. P. A. Cartwright.

Sir,—The feature on health and safety at work (April 30) was, I believe, a timely reminder to companies of the extent to which their responsibilities have changed with the introduction of the new 1974 Act. I would, however, take issue with David Fishlock on the importance of the powers of the inspectorate. I believe that the most vital part of this Act is not contained in Section 20 but in Sections 21-25. The ten items listed under Section 20 are essentially an enlargement of Section 146 of the Factories Act 1961, but Sections 21 and 22 of the new Act give the inspectorate powers of improvement and prohibition notices which are a departure from usual British justice.

Such notices operate and are effective immediately on presentation by the inspector and without recourse to a Court of Law. The employer has to appeal against the notice within 21 days; such a situation implies that the employer is guilty until proved innocent—or complies with the requirement of the notice!

Another aspect of considerable concern is the preparation of company safety policy statements—particularly smaller companies, for example, toolmakers in the West Midlands, garages with ten or so employees in workshops, and small garment manufacturers etc., who either do not know that the Act applies to them, or do not know where to go for advice. Such employer/owners are loath to contact the inspectorate or the executive as they feel that in so doing they could be inviting a "visitation" which could result in either a costly improvement notice or a prohibition notice—the photograph on Page 23 of the feature illustrates this aspect. If very fine clothing dust can constitute a hazard to operators' lungs, then an inspector will have to issue a notice to the employer.

P. A. Cartwright.
University of Bradford,
Bradford, West Yorkshire.

Jordan's economy

From The Vice-President, Finance, ALIA, The Royal Jordanian Airline.

Sir,—Your survey on Jordan (April 9) was somewhat of a disappointment to me and fellow Jordanian economists.

The west bank was an integral and important part of the Jordanian economy, but it should be noted that all the natural resources lie in the east bank such as phosphates, copper, potash, oil potential and 95 per cent. of the land. These resources are being operated now by an efficient labour force, which includes the best of the manpower and expertise of the west bank. Even in the tourist sector we find that Jordan has surpassed the levels attained in the two banks combined prior to the June 1967 war.

The real recovery of the strength and viability of Jordan's economy is demonstrated by other economic indicators such as the growth of the national product by 28 per cent. in 1974, which is a real achievement, even after excluding a rate of inflation to the tune of 20 per cent.

Other indicators include substantial development of products on a scale which is unprecedented.

On the other hand, the survey tried to link high monetary expansion and the estimated increase in the cost of living index over the same period. This association suggests that inflation is due to excessive issuance of currency, an interpretation which overlooks the fact that a substantial portion of the Jordanian currency is hoarded by west bank citizens to shelter them from the pitfalls of Israeli currency. Moreover, the monetary expansion of 23 per cent. in 1974 is more than justified by a corresponding growth of GNP by 28 per cent.

The report points out what it describes as the most striking aspect of the economy, namely, Jordan's dependence on direct external budgetary subventions. But oddly enough the report supported this negative aspect by referring to the absolute figures of incoming foreign aid and ignoring the related fact that the amount of foreign aid is declining.

At the same time we do not share the authors' opinion that Jordanian planners deem the reduction of external budgetary support as a primary aim. On the contrary, Arab financial support is an economic fact which is needed and expected and will continue so long as Arabs think Jordan should be a strong State both economically and militarily, being the first line of defence against the Israeli threat to the oil-rich Arab lands.

The report states that the first tentative estimates of the total investment allocations being made by officials is in the region of $750m.—less per annum than in the three-year plan which the report considered a good indication of realism. The fact is that the Prime Minister has offered a tentative figure of JD750m. which is three times more than the amount suggested in the survey. It is worth mentioning that, taking the 1975 budget into consideration, the allocation for the three-year plan was exceeded, and therefore there is no place for so-called realism in coming up with a new plan with less allocations as both authors had thought.

I am pretty sure that Jordanian decision-makers will ignore the survey's advice to reduce investments in phosphate mining in anticipation of prices falling off because of the increase in phosphates production in the U.S. and Morocco. Phosphate production was viable at a price of $12 a ton two years ago, and even if the present price of $63 declined to a reasonable extent it will continue to be more than ample to justify the target of increasing production tenfold in ten years' time.

Fahed Fanek,
P.O. Box 302, Amman.

Awards to inventors

From Mr. E. Page.

Sir,—Like Lazarus, the proposal for a statutory awards scheme for employee-inventors has been raised from the dead. This time in the Government's White Paper on Patent Law Reform and against even the recommendation of the Banks Committee.

Who is it that wants such a scheme? Certainly not management. Such schemes do nothing either to stimulate the generation of a commercially more-valuable invention nor do they widen the circle of inventors by whom such inventions are made. Certainly not employees. Such schemes merely engender greater inequities (even among inventor-employees) than presently pertain. Certainly not patent practitioners. Such schemes only inhibit them properly exercising their judgment as to their company's expenditure on patents for which they are responsible.

One of the greatest disadvantages of awards schemes, whether statutory or voluntary, is that they set up a privileged class of employee. A class entitled to reward over and above the conventional rewards of salary-increase and promotion, open to all other employees. Worse, this extra reward is not only merely for successfully undertaking that for which the inventor-employee is paid but is dependent upon the equally-valuable efforts of other employees.

It is to be devoutly hoped for that the proposal will this time be irrevocably interred.

E. J. Page.
9, Dale Lodge,
68, Shepherds Hill,
Highgate, N.6.

To-day's Events

British Leyland shareholders extra-ordinary general meeting, Dorchester Hotel, London.

Mr. Roy Jenkins, Home Secretary, speaks at National Association of Probation Officers conference, Newcastle-upon-Tyne.

Civil Service Union conference opens Leamington Spa.

Queen and Duke of Edinburgh continue state visit to Japan.

A group of 15 MPs, and four officials of unions working on Concorde, are among passengers on board test flight of the aircraft.

Mr. Leo Tindemans, Belgian Prime Minister, visits Paris for talks with President Giscard d'Estaing.

PARLIAMENTARY BUSINESS
House of Commons: Private Members' Bills.

COMPANY RESULTS
Unilever (first quarter).

COMPANY MEETINGS
Ballantyne (Henry), Walkerburn, 12.
Bandanga, 30, John Street, W.C., 12.
Greenbank Trust, Liverpool, 3.
Jacobs (John I.), 14, St. Mary Axe, E.C., 11.30.
Midland News Association, Wolverhampton, 12.
Stigwood (Robert), Mayfair Hotel, W., 12.

ART EXHIBITIONS
Watercolours by Turner opens at British Museum, London.

MUSIC
Royal Choral Society and Orchestra, conductor Meredith Davies, performs "A Mass of Life," by Delius, Royal Festival Hall, London, 8 p.m.

English Chamber Orchestra, conductor and violinist Pinchas Zukerman, plays music by Mendelssohn, Haydn, and Beethoven, Queen Elizabeth Hall, London, 7.45 p.m.

Roxane Houston (soprano), Trevor Wye (flute), and Peter Jacobs (piano) perform works by Campra, Handel, Purcell, Caplet, Berg, Paisiello, Ravel, Saint-Saens, and Stuart Ward, Purcell Room, London, 7.30 p.m.

COMPANY NEWS + COMMENT

Bensons Systems upsurge to over £1m.

PROFITS of Bensons International Systems expanded from £693,607 to £1,091,044 in 1974 following an improvement from £310,000 to £435,000 in the first six months. Earnings per 20p share are stated to be up from 15.1p to 22.8p.

The dividend is stepped up from 3.7p to 3.95p net with a final of 2.75p.

Members are told that early results for 1975 show some turndown in the extremely buoyant conditions generally encountered in 1974. Exports are going reasonably well and some of the traditional markets have already returned considerably higher sales than for the same period last year.

	1974 £	1973 £
Turnover	7,193,351	5,586,464
Interest	139,258	108,130
Profit	1,091,004	693,607
Total tax*	569,832	345,387
Net profit	521,172	348,220
Minorities	37,064	26,544

* Includes deferred tax £319,190 (£52,562) and overseas tax £151,963 (£141,154).

* Includes deferred tax £219,190 (£32,582) and overseas tax £181,963 (£141,154). Deferred tax includes £267,00 attributed to stock increase relief.

● comment

With some two-thirds of Bensons sales going overseas, the company was able to push through some substantial price increases in the latter part of last year. That explains the bumper second half, with profits up by 70 per cent. on a 20 per cent. sales gain. However, the trading pattern now seems to be changing; no longer is it a sellers market and in Europe demand for stationery has dropped. Some growth in North America and South Africa should restore the overall balance in what is bound to be a very tough year. A balance sheet that remains fairly healthy, should boost confidence in the shares at 120p, where the yield is 5 per cent.

INDEX TO COMPANY HIGHLIGHTS

...ment was 2.3625p from profits of £683,367.

Tax takes £155,000 (£139,000) leaving the net balance £2,000 ahead at £148,000.

Profit attributable is £147,000 compared with £143,000.

Lindsay & Williams record

FROM £93,016 at halfway, pre-tax profit of Lindsay and Williams went ahead to a record £383,163 in 1974. This compares with £29,129 in 1973 when there was a second half loss.

Earnings per 25p share are shown to be 11.1p (3.3p). Final dividend is 1.06p net, making a total of 2.06p, against nil.

Turnover for the full year was £2.3m., compared with £1.37m.

Tax charge was £104,387 (nil), leaving £278,576 net, which includes an extraordinary profit of £58,112.

● comment

Lindsay and Williams has come through with a lot more than just recovery. The 1974 pre-tax profit (excluding the exceptional item) is 11 times greater than that of 1973, and more than double the previous peak of 1965. The main push has been on exports. Of the £0.9m. increase in turnover around £0.7m. was high-margin exports, leaving overseas sales representing 53 per cent. of the total, or 65 per cent. in the case of tape manufacturing (for insulating electric cables). Currently L. and W. is going all out for more exports, as evidently there are markets that it has hardly touched, and now with the new equipment the company can match the quality of the U.S. competition at a cheaper price. So, assuming L. and W. has got its market research right it should be able to capture ground from its competitors. At 48p the shares yielding 10½ per cent. and covered 3.6 times have attractions but the market is thin, with 60 per cent. of the shares in relatively firm hands.

RCF £18,000 ahead at half way

FROM INCREASED turnover of £5.05m. against £4.07m. pre-tax profit of hand tool manufacturers and distributors, RCF Holdings expanded £18,000 to £303,000 for the six months to January 31, 1975.

The interim dividend is 0.875p (same) net. Last year's total pay-

Clement Clarke upturn

AFTER A fall from £234,000 to £202,000 at half way profit before tax of Clement Clarke (Holdings) for all 1974 has advanced from £449,487 to £473,342. Turnover increased from £3.21m. to £3.92m.

Earnings per 25p share are 5.8p (6.4p). A final payment of 1.2p net raises the dividend total from 1.8p to 1.95p at a cost of £78,000 (£72,000).

After tax of £249,358 (£225,117) the attributable balance emerges virtually unchanged at £225,984.

NET falls in second six months

SECOND-HALF profits of NET—formerly North Eastern Timber—fell from £469,100 to £312,212 leaving the total for 1974 down by £116,000 at £688,000. Earnings are stated to be lower at 7.19p, against 9.33p adjusted.

The net dividend total is raised from 1.7058p—adjusted for a scrip issue—to a maximum permitted 1.8655p, with a final of 1.028p.

	1974 £000	1973 £000
Turnover	16,465	15,329
Profit	688	804
Taxation	384	413
Net profit	304	391
Minorities	6	12
Attributable	298	379

● comment

NET's profits took a sharp tumble in the second half of 1974, falling by a third pre-tax on an 8 per cent. drop in sales value, and this has left the full-year pre-tax level almost 14½ per cent. lower after being 12 per cent. higher at the interim stage. The group's concentration on hardwood has enabled it to avoid any ill-effects from the housing depression, but volume has clearly been hit by the low level of activity in the general construction and furniture industries. Interest charges rose by £112,000 last year on bank borrowings which were virtually contained at around £1.8m. The group has been able to reduce this figure by around £350,000 since the year-end and anticipates that overall finance charges in 1975 will be significantly lower. Moreover, demand has so far shown some signs of picking up in the furniture sector and the group is still enjoying fairly buoyant conditions on its expanding DIY side. Even so, hopes of a real recovery will probably have to wait until there is some solid evidence of an improvement in orders from the construction industry. At 38p the shares yield 7¼ per cent., covered 3.8 times.

Midway fall by White Drummond

REFLECTING THE highly adverse trading conditions to the end of December and not wholly compensated by the greatly improved situation since, profits after tax of unit trust managers, White Drummond and Co. dropped from £642,760 to £450,103 for the half year to March 31, 1975.

The Board advises that the continuing success of M and G Guaranteed Deposit Bonds is making a significant contribution to the profits of the year as a whole.

Earnings per 5p share are shown to be down from 7.04p to 4.8p and "to reduce disparity" the interim dividend is being raised from 0.964p to 1.151p net.

For the full year to September 30, 1974—a year in which the Board says that profits displayed an "exceptional" imbalance between the two halves—dividends totalling 2.63865p were paid on pre-tax profits of £709,376.

Turnover for the six months declined from £2.36m. to £2.03m. Tax was up from £207,955 to £380,032.

Wm. Collins 25% sales growth

Sir William Collins, chairman of William Collins and Sons (Holdings), the publishing group, told yesterday's annual meeting that sales in the first four months of the current year were up by 25 per cent.

He thought inflation in America was not running at so high a rate as in the U.K. and was glad the U.S. subsidiary was now improving after its disappointing first year results.

Paperback books were selling strongly both at home and overseas and there appeared to be a tremendous future for these publications.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Atlas Electric	0.8	June 20	0.7	1.15	1.05
Auotomotive Products	1.51	June 14	1.39	1.51	1.39
Baker Perkins ... 2nd int.	1.75	July 1	1.66	3.25(b)	3.16
Bank of Ireland	18(c)	July 4	14	24	20
Bensons Systems	2.75	—	2.7	3.95	3.7
E. Chalmers Hldgs.	0.55	June 28	0.49	1.1	0.99
Clement Clarke	1.2	—	1.1	1.95	1.8
Davenports Brewery int.	0.66	—	0.59	—	2.11
Dutton-Forshaw	0.65	—	1.34	1.74	2.48
Eng. and Calendonian Inv.	1.45	—	1.35	2.1	1.9
Thomas Jourdan	0.33	—	1	1.33	2.05
Laganvale Estate int.	Nil	—	0.3	—	0.3
Lindsay and Williams	1.06	June 17	Nil	2.06	Nil
Menteith int.	0.2	July 3	0.1	—	0.45
NET	1.03	July 15	0.83*	1.86	1.71*
RCF int.	0.88	July 1	0.88	—	2.36
Roberts Adlard	1.95	—	1.69	3.26	3.01
Silvermines	1.5	—	1	4	6
White Drummond ... int.	1.15(a)	June 2	0.96	—	2.64

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity. (b) For 15 months. (c) Gross throughout.

Dutton Forshaw latter half deficit

A SECOND-half loss at Dutton-Forshaw Group results in a decline in taxable profit for 1974 from £1,731,000 to £1,016,000. At half-way profits contracted from £1,106,000 to £1,021,000.

The dividend total is reduced from 2.4775p to 1.73875p with a final payment of 0.65p net.

Chairman Mr. R. Hockin says that although 1975 will be a difficult year, he views the long-term future of the group with optimism.

Despite all the problems there are certain encouraging signs. On the motor side, the latest forecast indicates that the number of new car registrations in 1976 is expected to show an increase of 10 per cent. on 1975, he adds.

The construction side will benefit in due course when the "brakes are off" and the farm equipment side will benefit from the Government's expressed intention to expand the production of home-grown food.

	1974 £000	1973 £000
Turnover	84,719	88,040
Trading profit	*2,706	2,195
Interest charges	1,688	464
Pre-tax profit	1,016	1,731
Tax	563	875
Net profit	453	856
Extraordinary debits	102	†563
Attributable	353	1,404
Dividends	290	355

* Includes £668,000 contribution from British Canadian Investments. † Credit.

Commenting on 1974 the chairman states that trading profit includes £668,000 contribution from British and Canadian Investments.

Interest charges have risen from £464,000 to £1,688,000, with the interest on the cost of acquiring British and Canadian, together with that company's own interest charges, accounting for £840,000 of the increase. The remainder of the expansion is due to "exceptionally" high interest rates and the cost of financing replacement stocks at constantly rising prices.

British and Canadian interest charges exceeded its contribution to the trading profit. Mr. Hockin has every confidence, however, that, when the recession is over, the construction machinery division of the group will make a "significant" contribution to profits.

The number of new vehicles sold by the group was only 21 per cent. lower than in 1973, compared with a fall of 24 per cent. in new car registrations. Total sales of new and used cars in 1974 exceeded 41,000 units. Service and parts remained buoyant. Despite the oil crisis, petrol gallonage is only 10 per cent. lower than in 1973, and the group sold at higher margins.

In 1974 the trend of lower second half profits in construction was intensified by the exceptionally severe downturn in the construction and building industries. However, as Europe's largest distributor of International Harvester construction equipment the group is well placed to take advantage of the upturn when it arrives. Meantime stringent economies have been introduced which will result in considerable savings in overheads in 1975.

The agricultural companies had a successful half-year, with an increase in turnover and profits. This was particularly the case in combine and forage harvesting machinery, represented mainly by Fahr and Taarup equipment, for which the group is sole U.K. distributor.

● comment

Cum extraordinary items, Dutton-Forshaw was just breaking even in the second half, and higher interest charges are mainly to blame for a £0.6m. downturn. Interest attributable to D-F's original car dealing activities nearly doubled o £0.8m., but the cost of servicing the British and Canadian interests is a real shocker. As well as an acquisitional cost of £0.3m., interest attributable to B & C's trading comes out at £0.5m., so the total loss on the acquisition is just over £150,000. Plainly D-F mistimed its takeover, but the real problem is how the group will cope in the future. A rise of £8m. in group debt to £13.2m. shows how capital intensive B & C is, while if interest rates rise in line with demand in the main profit area (car dealing) returns here will be trimmed. At 20p, the yield is 13.6 per cent.

Thos. Jourdan setback

SECOND-HALF profits of Thomas Jourdan fell sharply from £157,463 to £43,154 leaving the total for 1974 down by £169,309 to £188,154, of which £179,828 accrued from royalties. The dividend is cut from 2.05p to 1.33p net, with a final of 0.325p.

The directors explain that Knightsbridge Design, John Corby and W. Muncey all showed increased profits; but the extra cost of diversification and development work resulted in lower profits at Midland Designing and Hemcol made a loss due to inadequate steel supplies. Simplon Interline also made a loss because, having stocked up finished products, it fell well short of sales targets.

Basic earnings per 10p share are stated to be down from 5.53p to 1.90p.

	1974 £	1973 £
Turnover:		
Royalties	187,036	189,148
General industrial	3,307,071	3,339,251
Total	3,494,097	3,497,408
Pre-tax profit:		
Royalties	179,828	153,486
General industrial	8,320	203,977
Total	188,154	357,463
Charged:		
Depreciation	92,568	82,102
Interest	112,511	35,788
Auditors' remun.	14,363	10,156
Directors' emoluments	[illegible]	29,335
Credited:		
Dividends and int.	275	8,833
Profit on sale	8,238	—
Taxation	110,979	176,413
Net profit	77,175	181,049
Extra-ord. debits	—	13,024
Dividends	25,742	67,258

The directors have valued the royalty income of Knightsbridge Design Company at £1m. and this is reflected in the balance sheet.

So far in 1975 sales of royalty bearing products show an increase over last year. Corby is trading well; and if Hemcol's present steel supply is maintained its record high level of orders should bring excellent profits. Both Midland and Muncey are making great efforts here and overseas to improve sales. Action has been taken to rectify Simplon's position, the directors report.

● comment

After a first-half fall of 27 per cent., Thomas Jourdan's second half pre-tax profits have dropped to just over a quarter of their comparable level, leaving pre-tax profits for the year some 47 per cent. lower. A dismal performance from general engineering, due mainly to inadequate tube supplies at Hemcol and greatly diminished demand for Simplon's portable floodlights, has been exacerbated by more than trebled interest charges. The capitalisation of Quant royalties, which grew by 17 per cent. last year, is intended to strengthen a balance sheet, which at December 1973 showed net tangible assets of £0.9m. compared with short-term borrowings of £0.7m. and the latter have clearly increased. There is good scope for loss elimination this year, but at 16p, down 2p last night, a yield of 13.1 per cent. is a fair reflection of the risks involved, after a 35 per cent. cut in the net dividend.

York Trailer dips in first quarter

DESPITE RECORD sales—up from £4.18m. to £4.49m.—first-quarter 1975 profits of York Trailer declined from £321,000 to £274,000, reflecting short-time working at two plants, combined with heavy redundancy payments.

Chairman Mr. F. W. Davies reports that there are distinct signs of improvement in the general trading picture. Full time working has been resumed at Market Harborough. All other facilities, except Corby trailer production, are working to capacity. In particular, exports have shown some splendid increases and in fact are currently dominating new trailer and container sales.

Despite those encouraging signs, the directors withhold a forecast as to the year's results until the wider problems of the British economy show positive indications of being resolved. The group has invested heavily in new plant and equipment, it has an excellent liquid position, and "we are geared to respond quickly to the next upturn in demand for transportation equipment."

After taxation £142,000 (£167,000) the first-quarter net profit was £132,000 (£154,000).

For the year 1974 a profit of £1.3m. was achieved from which dividends totalling 1.636p were paid.

● comment

An element of vertically integrated production between York Trailer's Corby and Market Harborough factories means that a fall in overall demand aggravates the level of unrecovered cost. This is one reason for the 15 per cent. fall in first-quarter profits while heavy redundancy payments also affected margins. But the overseas sales drive has nearly doubled exports as a percentage of sales, and the export order book is nearly three times longer than its U.K. counterpart. The internal crackdown on accounts receivable and stock levels has also been successful, so York is well placed to cope with an recovery in domestic demand. At 24p, the yield is 10 per cent.

English & Caledonian expansion

Gross revenue of English and Caledonian Investment increased from £776,699 to £824,384 in the year to March 31, 1975, and revenue from £332,176 to £363,... after tax of £236,634 compared with £170,154.

Earnings per 25p share are shown to be up from 2.23p to 2.45p and the dividend is lifted from 1.9p to 2.1p net with a final of 1.45p. The net asset value is given as 73.2p (82.9p) per share.

Nation Life arrangement

BY ERIC SHORT

Details of the arrangements whereby all regular premium policyholders of Nation Life can have continued life assurance cover and payments can be resumed to ordinary annuitants were announced yesterday.

Two groups of insurance companies, one comprising leading ordinary life assurance companies and the other unit-linked assurance companies have drawn up schemes to provide protection, but there is no rescue element.

The basis of the scheme for the 2,500 ordinary life policyholders is that they will receive a policy of the same type as held with Nation Life without evidence of health. The premiums paid will be the same as those payable to Nation Life and any premiums due but unpaid since the date of liquidation may be paid over a period not exceeding 12 months.

The sum assured under endowment and whole-life assurances and the annuity under deferred and retirement annuities will be 90 per cent. of the sum secured by premiums paid before the date of liquidation plus 100 per cent. of the balance of the Nation Life sum assured or annuity.

All continuation-policies will be issued in the name of Eagle Star except for with-profit contracts which will be issued by the Prudential. Existing bonuses on these latter contracts will be cut by 10 per cent., but future bonuses will be at the full Pru rate. Annuities already being paid will have payments resumed by the consortium at a rate of 90 per cent.

Unit-linked policyholders (about 11,500) are being offered a policy with one of the companies in the consortium for a sum assured equal to that under the Nation Life contract without medical evidence and with a ... per cent. rebate on the first year's premiums.

Under both schemes in cases where the policyholder on a regular premium contract has died since liquidation, the offices are offering to make immediate payment of 90 per cent. of the admissable death claim even though the claim on liquidation relates only to the surrender value. The offer also applies to deaths before the date of liquidation but which have not been settled. The offers under both schemes remain open until June 30.

Anthony Gibbs (Personal Financial Planning), the insurance brokers who sold approximately one-quarter of the Guaranteed Income Bonds issued by Nation Life is ready to meet the legal costs involved in Court proceedings.

Mr. David Jackson, chairman of the policyholders protection committee, welcomed the help for policyholders, but said he was disappointed that having established the principle of help by the insurance industry, it was not extended to all policyholders.

RESULTS AND ACCOUNTS IN BRIEF

ALTIFUND—Gross revenue, year to March 31, 1975, £297,265 (£236,404). Pre-tax revenue £267,970 (£213,647). Tax £99,777 (£71,964). Final on Income shares 4.25p, making 6.25p (5.559p). Final on Capital shares 0.2165p, making 0.2165p (0.2755p), payable July 16. Net asset value per Income share 101.3p (101p) and per Capital share 118.7p (115p).

I. BARGET (furniture manufacturers)—Sales for the six months ended March 31, 1975, of £1,376,416 (£1,553,300); profits before tax £56,555 (£78,785); tax £29,000 (£18,190); net profits £27,555 (£22,495); interim dividend less waivers nil (£6,059); dividend total for year to September 30, 1974 0.9375p net paid on pre-tax profit £51,346.

BEAUFORD GROUP (heavy machine tools and plant)—Results 1974 reported April 11. Group fixed assets £999,705 (£875,936). Net current assets £477,574 (£135,111). Meeting, Huddersfield, May 29, at noon.

BRITISH INDUSTRIES AND GENERAL INVESTMENT TRUST—Interim dividend of 1.05p (same and 2.7p total) per 25p share. Gross income for six months to March 31, 1975, £147,131 (£175,396), less management expenses £14,069 (£10,560), loan capital interest £25,465 (£23,326), and dollar loan interest £5,757 (£5,471). Net revenue £102,200 (£90,571) before tax £19,179 (£30,340). Cost of Preferred dividend £3,250 (£3,250). Available for deferred shares £37,750 (£34,963). Absorbed by interim £41,266 (£41,266). Value of investments and net current assets £5,461,052 (£5,437,100). Net asset value per share 101p (100p) calculated as if Convertible loan stock had been converted at the rate of 90p of stock for each share. Debenture and Preferred stocks deducted at nominal values. No account taken of any liability to corporation tax on capital gains which might arise on future disposals of investments.

ELLENROAD RING MILL—Final dividend for year to April 5, 1975 1.5p making 1.80p payable July 16.

FREDERICK W. EVANS (manufacturers of plastic mouldings)—Sales £531,000 (£507,000) for half-year to March 31, 1975. Profit £77,000 (£97,000). Interim dividend 0.56p net (same and 1.157p total).

E. FOGARTY AND CO. (Processors of man-made fibres, etc.)—Results 1974 reported April 17. External sales £9.47m. comprise £5.76m. Fittings and £3.71m. Furnishings. Fixed assets £3m. (£3.03m.). Net current assets £1.09m. (£785,000). Meeting, Boston, May 29, at 12.15 p.m.

FOURTH CITY AND COMMERCIAL INVESTMENT TRUST—Income £0.469 (£2,432) for half year to December 31, 1974. Net profit £152 (£1,190) after tax £179 (£856).

GENERAL MINING AND FINANCE CORPORATION—Results for 1974 already known. Group fixed assets R79.8m. (R66.8m.). Group current assets R134.9m. (R93.5m.). Group current liabilities R92.8m. (R78.7m.). Meeting, Johannesburg, June 5.

HIGH GOSFORTH PARK COMPANY—Dividend 8.022p (7.35p) for 1974. Profit before tax and extraordinary items £25,827 (£22,987) 1974. Tax, corporation, £829 (£15,509) and deferred by capital allowances £13,500 (£4,100). Extraordinary items—surplus on sale of land less tax applicable thereto nil (£34,200) transferred to general capital reserve. Earnings per share 7.76p (4.35p).

KENKAST—Results 1974 reported April 4. Group fixed assets £401,049 (£423,317). Net current assets £415,419 (£236,349). Meeting, Manchester, May 22, at noon.

METROPOLITAN TRUST (a subsidiary of Guardian Royal Exchange Assurance)—Interim 2p (1.265p) net for six months to March 31, 1975—increase to reduce disparity. Franked investment income £415,550 (£346,517). Unfranked £218,317 (£262,269). Deposit interest etc. £411,281 (£160,207) giving gross income £1,085,158 (£970,587). After deducting management expenses £28,321 (£32,313), interest £62,059 (£61,707), and tax £431,879 (£335,008), net revenue is £562,951 (£541,497). Net asset value per 25p Ordinary at market value including 7½ per cent. of currency premium 130.7p (128.8p).

MINTY (furniture manufacturers)—No final 53 weeks to January 31, 1975—interim 1p paid (last year total 3.2875p). Profit £11,014 (£122,623) before tax £5,990 (£62,520).

MODERN ENGINEERS OF BRISTOL (HOLDINGS)—Results year 1974 reported April 11. Group fixed assets £312,050 (£280,378). Net current assets £745,512 (£402,231)—overdraft £146,264 (£729,140) and bank loans £758,887 (£521,588). Meeting, Bristol, May 30, at noon.

MUNICIPAL PROPERTIES—Results 1974 reported April 9. Group freehold properties £810,487 (£799,687). Chairman expects steady progress to continue. Meeting, Tonbridge (Kent) May 29 at 12.30 p.m.

NEW THROGMORTON TRUST—Net asset value per £1 of Capital Loan Stock at May 6 nil. Securities valued at middle market prices.

SHARNA WARE (manufacturers of plastic ware)—Results 1974 reported April 18. An analysis of turnover £8.27m. (£4.77m.) and of trading profit shows manufacturing division £1.73m. (£1.60m.) and 51 (86) per cent. wholesaling £4.52m. (£3.06m.) and 49 (13) per cent. and retailing £2,919 (£22,024) and nil (1) per cent. Group fixed assets £789,594 (£769,220). Net current assets £83,590 (£34,822). Chairman Mr. S. Orchant says sales to date are encouraging. Meeting, Manchester, May 30, at 12.30 p.m.

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WILLIAM COLLINS & SONS (HOLDING) LIMITED

(Incorporated under the Companies Act, 1948)

£461,711 6% Debenture Stock 1993/98

On 8th May, 1975 the necessary Resolutions were passed to effect the re-classification of the 5¼% Unsecured Loan Stock 1993/98 of the Company as 6% Debenture Stock 1993/98.

The Council of The Stock Exchange has admitted to the Official List the above 6% Debenture Stock.

Particulars of the Stock have been circulated in The Extel and Moodies Statistical Services and copies may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including Friday, 23rd May, 1975 from:—

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Vickers foresees good year

LORD ROBENS, chairman of Vickers, tells members that 1975 may well be another good year for profits, although the "outstanding figures" achieved last year will be difficult to surpass without favourable developments during the rest of this year.

Nearly all group activities, both at home and overseas, began 1975 with strong order books. This is true also of the British Aircraft Corporation.

No less apparent is that towards the end of 1974, and in the early part of this year, there was a sharp decline in new orders for a number of group products, reports the chairman. In some instances the possibility of recovery exists as the year proceeds, but in others the prospects for the rest of 1975 are not encouraging.

The chairman devotes a large part of his statement to the Government's nationalisation proposals. He says that if indications so far given are pursued then fair compensation seems most unlikely. "We are certainly unwilling sellers."

The extent to which a fair price is achieved will be a major factor in group plans for developing and expanding the remaining activities. It will be first priority in use of compensation to add to the strength of these activities, whether by internal investment or by acquisition.

As reported April 18 group pre-tax profit rose from £18.2m. to £25.9m. in 1974. The chairman says the results are all the more satisfactory given the setbacks caused by the three-day week and by an overtime ban in the engineering industry. They would have been even higher but for a provision of £2m. against the possibility of bad debts arising from the abnormal factors at present existing in the economy.

Some of the profit increase reflects inflation, but "clearly the company is now in a very healthy condition following the re-organisation of recent years" members are told.

The impact of high and continuing inflation is illustrated by an increase of some £23m. in the value of working capital during 1974. Though the position remains well under control the chairman feels that these changes demonstrate how essential it is to apply the strictest of disciplines and controls to financial affairs. Even so during the last eighteen months important new capital investment has been approved in most of the main activities, he adds.

Outstanding capital commitments stood at £4.9m. (£3.37m.) at the year-end, and a further £1.95m. was authorised (£5.18m.).

During the year there was a net outflow of liquid funds of £8.33m. (£2.09m.)—representing a decrease in cash balances of £10.1m. (£8.94m. increase), an increase of £7.72m. in bank overdrafts (£1.68m.), and a decrease in loans payable within 12 months £9.48m. (£9.41m. increase).

Lord Robens says that in terms of liquidity the group has a manageable situation this year.

Meeting, Millbank Tower, S.W., June 5 at noon.

Chairman's statement Page 33

See Lex

34% sales increase at Toye

The chairman of Toye and Co., Mr. B. Toye, says he is confident in the inherent soundness of the company's business, in the merchandise it offers and its ability to remain competitive.

Sales for the first quarter of this year have increased by 34 per cent. over those of the corresponding period. This increase includes the sales from the new venture of Toye Marketing and also the sales of E. Dent and Co. which were not included last time.

As reported on April 18 taxable profit for 1974 expanded from £214,585 to £224,158. The dividend is held at 1.25825p net.

A statement of source and application of funds shows that during the year there was an outflow in net liquid funds of £420,147 against £60,974.

Meeting, Connaught Rooms, W.C., on May 16 at 12 noon.

Improvement for George Wimpey

Turnover of George Wimpey and Co., the building and civil engineering group, was ahead in the first quarter "with a marked improvement in sales of private houses," chairman Mr. R. H. Gane, told yesterday's annual meeting.

The year started with a record order book and there was currently a high level of inquiries from overseas. There would be a reduced level of activity in certain categories of work in the U.K. due to cutbacks in public spending and reduced investment by industry and commerce, he said.

Mr. Gane told shareholders that since preparing his annual statement major contracts had been won in Nigeria, Iran and the Middle East. In Canada, turnover was expected to increase by 25 per cent. "I am confident we shall see more growth abroad in 1975 and 1976," he said.

BAKER PERKINS

Baker Perkins Holdings has declared a second interim of 1.75p net per 50p share, to make 3.25p for the 15 months ended March 31, 1975.

In deciding on this small increase, the directors have borne in mind that it is in respect of a longer period, but have also had regard to the fact that the profit before tax to be announced on June 25 is expected to be "somewhat lower" than for the year ended 1973 although the dividend will be amply covered.

Automotive down £1.5m.

ON TURNOVER up from £60.15m. to £82.45m., pre-tax profit of Automotive Products, the Leamington Spa-based components and specialist hydraulic equipment manufacturers, fell from £6.1m. to £4.73m. in 1974.

The dividend for the year is raised from 1.385p to 1.51183p net.

At half way, when pre-tax profit was down from £2.52m. to £1.52m., the directors said they expected the second half to show a considerable improvement.

Now, they say the 1975 turnover may be expected to be higher in total than the 1974 outturn, although much of the increase will be due to price changes rather than true volume.

The profits picture is more difficult to predict and depends on the rate and timing of cost escalation and the extent, timing and frequency of selling price adjustments in an increasingly competitive market both domestic and overseas, the directors add.

While it is reasonable to hope for some degree of improvement on the 1974 profit, it is not possible at this stage to quantify the factors which will determine the end result.

"Present indications point to a profit split very heavily weighted in favour of the second six months," the directors report.

Extra-ordinary items rose from £246,000 to £1,156,000 in 1974. They comprised goodwill on the acquisition of three new subsidiaries.

	1974 £000	1973 £000
Turnover	82,451	60,152
Group profit before tax	4,730	6,097
Net profit	2,111	3,499
Extra-ord. debits	1,156	246
Leaving	955	3,253
Pref. dividends	17	19
Second Pref. dividend	142	137
Proposed Ordinary	567	519
Retained	229	2,578

See Lex

Grand Junction redemptions

Consent of holders of three debenture stocks in Grand Junction Company—the 3 per cent. 1957-80 (£262,500), 4½ per cent. 1967-80 (£105,000) and 4½ per cent. 1990-95 (£262,500)—is being sought to repayment of the stocks on May 31 next, at £83 per cent., £87 per cent. and £65 per cent. respectively, plus accrued interest.

The company became a subsidiary of Amalgamated Investment and Property in December, 1971 and its share capital ceased to be listed. The directors are submitting the proposals because they feel it is neither necessary nor appropriate to continue to have listed stocks, and wish to be relieved of the requirement of furnishing accounts to the Stock Exchange. They wish also to be released from restrictions imposed under the Trust Deed on the company's ability to deal with its properties.

Having regard to the increases in capital values under the redemption and to the yields obtainable on Government stocks with comparable interest rates and maturity dates, it is thought the proposed prices will be attractive to holders. The trustees, London Trust, consider the proposals are in a form suitable for submission. Meeting, May 30.

Long-term optimism at Jas. Fisher

THE FUTURE is not lacking in opportunity for anticipated developments by James Fisher and Sons, shipowners and forwarding agents, and the long-term view is one of optimism, encouraged by recent reductions in the bank lending rate and realisation that "inflation must be inevitably mastered," according to chairman Sir John Fisher.

He tells members in his annual statement that uncertainties at home and abroad in both the economic and political spheres affecting industry and commerce make it almost impossible to predict prospects for the current year. The general outlook for 1975 is one of recession and uncertainty.

The Shipping Industry in particular will be affected by the nationalisation of ports, shipbuilding and ship repairing, and membership of the EEC "is in jeopardy with the danger that we shall cut ourselves off from Europe." Market conditions in nearly all sections of the Deep Sea Trades are depressed and freight levels have seriously declined. The Short Sea Trade is suffering less from world-wide conditions and as the fleet remains largely engaged in long-term business and in specialised operations "we hope our policy will see us through these difficult times."

As reported on March 26, pre-tax profit increased from £608,752 to £750,908 in 1974. Dividends are up from 2.118p to 2.387p net.

Meeting, Barrow-in-Furness on May 28 at noon.

Mastertape (Magnetic)

The Official Receiver of Mastertape (Magnetic) of Colnbrook, Bucks., told a creditors meeting that debts comprised £30,000 to preferential creditors, £620,000 to a debenture holder and £1,123,000 to unsecured creditors.

Assets were not expected to realise enough to clear both the preferential creditors and debenture holders' claims, so there would be nothing for the unsecured creditors. The matter was left with the Official Receiver as liquidator. The company was formed in 1933 with an issued capital of £110,000.

MINING NEWS

General Mining profits still moving up

BY KENNETH MARSTON

FOLLOWING last year's 56 per cent. expansion in profits to R22.4m. (£14.1m.), equal to earnings of 425 cents (267p) per share, South Africa's **General Mining** still expects "satisfactory growth in earnings for 1975" despite the current slow-down in gold profits and the continuing inflationary pressures.

As already forecast, the 1975 dividend is to be "at least 210 cents" on the capital increased by the recent 12-for-100 rights issue. Last year's total was raised by 90 cents to 210 cents on the old capital.

The well-documented annual report shows that of last year's profit, gold and uranium made the major contribution of R10.4m.; industrial activities R6.8m.; mining finance R2.6m.; townships R2.5m.; coal R2.2m.; and minerals R2m. The South African group's asset value rose to R.58.87 (£37) per share, but, reflecting the fall in Stock Exchange prices and the enlarged capital, it amounted to R.45.41 (£28.55) at April 28. The shares were £30¾ cum-premium yesterday.

Union Corpn.

Regarding this year's acquisition of a stake of just under 30 per cent. in **Union Corporation** by General Mining and its associates (General Mining has 23.9 per cent. and **Sentrust** 3.2 per cent.) the chairman, Dr. W. B. Coetzer anticipates "an interesting period of co-operation between the two minig houses."

This acquisition has involved heavy borrowings but at least General Mining has a financially powerful indirect shareholder in the shape of **South African National Life Assurance**. Meanwhile, General Mining's more interesting long-term prospects include the chrome mining and refining activities and the growing potential in coal, South Africa's output of the latter being expected to at least double by 1985.

SABINA'S GOLD PROSPECT

The expected drill results from Canada's **Sabina Industries** are not from the Irish venture being probed by its partner there, South Africa's **Messina**, but from the Red Lake gold camp prospect in Canada where Sabina is busy with a programme designed to earn it a 60 per cent. interest.

The best of the values to date is 1.44 ounces gold per ton over a width of 14.1 feet in a gold-bearing iron formation at a depth of 160 feet. But this is an "uncut" assay. The "cut" result, that is to say with figures above the "uncut" average reduced so as to give what is generally regarded as a minimum expectation, is 0.2 ounces or 4 dwts.

Other drill results to date are well below this but it is the widths ranging up to 23.4 feet which are regarded by the company as encouraging and prompt the comment by its president Mr. Bill Cummins that "since most of the major gold deposits in the Red Lake camp are found in a wide gold-bearing quartz-carbonate zone in antesite similar to that found on McFinley Island additional drilling is recommended on this zone in the next phase of drilling." Yesterday Sabina rallied 9p to 118p.

SILVERMINES EARNS LESS

In the light of the recent strength of the shares the 1974 preliminary profit statement from Ireland's **Silvermines** could hardly have been other than a disappointment and the shares resultantly reacted 6p to 44p yesterday.

Net profit of £0.45m. compares with £0.79m. and the final dividend of 1.5p tax free makes a total of 4p against 6p for 1973. The lower earnings are brought about by a drop in the 25 per cent. share of Mogul of Ireland's profits from the Silvermines lead-zinc mine in Tipperary, the country's increased mining taxation and an extra-ordinary item of £0.1m. written off the cost of quoted investments. Earnings per share equalled 6.55p before this last-named item. The 1973 figure was 9.62p.

The annual meeting is scheduled for June 26. Shareholders will be looking for news of the company's stake in Ireland's offshore exploration for oil and gas rumours about which have been the chief share stimulant recently.

TIN OUTPUTS

In the latest batch of tin-mining returns that for **Ayer Hitam** at 212 tonnes is the lowest since August of last year. Even so, the 10-month total of 2,808 tonnes is still well ahead of the 2,242 tonnes for the same period of 1973-74. Tronoh's four-month total of 895 tonnes, on the other hand, is down from the 1,158 tonnes at this time a year ago.

	Apr. Tonnes	Mar. Tonnes	Feb. Tonnes
Ayer Hitam	212	315	356
Sungei Besi	196	194	169
Sungei Way	41	41	38
Tronoh	262	237	211

MINING BRIEFS

MALAYSIAN TIN—April: Tribute ore sold 5.75 tonnes (March: 6.65 tonnes). Working profit £197 (£590).

Way clear for Dentsply to bid

Shares in **AD International**, a leading British dental supply company, rose 11p to close at 82p last night following an announcement in the House of Commons that the proposed bid for the company made last year by **Dentsply International** has been cleared by the Monopolies Commission.

Last August Dentsply, which is one of the four leading U.S. dental supply companies, announced that it was considering a £13.9m. bid for ADI which at that time was not recommended by the ADI Board. The proposed bid was also rejected as "totally inadequate" at the time by the British Oxygen Company which has a 17.6 per cent. stake in ADI.

Mr. Anthony Oakley, ADI's company secretary, said last night that ADI was waiting to see whether Dentsply would now go ahead with a bid and on what terms. He added: "There has never been a bid as such only a notice of intention subject to Monopolies clearance." Hill Samuel, which is advising Dentsply, said the situation would be reviewed in the light of present conditions.

With thep osition of BOC still very important, should Dentsply decide to go on with its bid, the American company holds something of a trump card in the event of any counterbid for ADI. About a third of ADI's after-tax profits stem from a licensing agreement with Dentsply which dates back many years. If any company acquires more than 20 per cent. of ADI's equity this agreement is broken.

The basis on which Dentsply was intending to bid last August would have valued ADI's shares at 90p each and this would have been satisfied as to two-thirds in cash and the balance in sterling/dollar convertible loan stock convertible into shares of Common stock of Dentsply. It was planned that the listing of the stock and shares of Dentsply would also be sought.

C. E. HEATH STAKE CHANGES HANDS

The 19.9 per cent. share stake hitherto held in insurance brokers **C. E. Heath** by **Fraser Ansbacher**, the merchant bank associated with Mr. Maxwell Joseph, has been disposed of to a number of institutions for £3.62m.

The sale, announced last night, is on terms implying a price of around 210p a share. Last night the shares closed 10p lower at 220p on the news.

The transaction is stated to represent a capital profit to Fraser Ansbacher in the current year of some £250,000 on the cost of the investment. The cash generated by the deal "eliminates Fraser Ansbacher's borrowings and further strengthens the group's already strong liquidity."

GLYNWED

Glynwed has allotted 221,069 Ordinary shares in final satisfaction of the consideration for the acquisition of **Milson Bearing and Engineering Service and Midland Bearing Stockists (Leicester)**. First instalment was satisfied by the issue of 533,030 shares.

BRYANSTON

The **A. T. Smith Organisation** offer for **Bryanston Finance** Ordinary capital has been declared unconditional.

The offer has been accepted by holders of 5,742,468 shares (77.44 per cent.) of which holders of 1,438,230 shares accepted the cash offer and holders of 4,304,238 shares accepted the loan stock alternative.

The offer remains open for both the cash and loan stock alternative.

BIDS AND DEALS

U.S. interest in Stigwood

BY NICHOLAS LESLIE

Robert Stigwood Group, the entertainments concern which has produced shows such as Jesus Christ Superstar and, most recently, a musical version of Jeeves, may shortly receive a £4.6m. bid by Warner Communications Inc. of the U.S.

Stigwood's share price reacted to the news with a 6p rise to 38p, before closing at 35p, or 3p up on the overnight level.

The company's chairman, Mr. Robert Stigwood—who with fellow director, Mr. David Shaw owns some 25 per cent. of the shares—said yesterday that he would be "having talks with my Board early next week," to decide what attitudes to take to the offer. He said that Warner had not asked to have talks with Stigwood directors.

Any offer—and at present Warner is saying that it is "prepared in principle to make an offer"—would depend on the attitude of three shareholders. They are Mr. Stigwood and Mr. Shaw and also Polygram, the record company owned 50/50 by Philips Lamps, of Holland, and Siemens AG, of Germany, which owns a further 25 per cent. of Stigwood.

An offer would be in cash and equal to the sterling equivalent of $1—about 42½p—at the time it was made. Before such a bid, Warner would want to complete an examination of Stigwood's assets, financial conditions and businesses to its satisfaction; would require to be satisfied that certain directors and senior executives of Stigwood would remain in the group, and would require that certain conditions for the future distribution of records would be modified so as to ensure maximum benefits for Stigwood.

It is also proposed that "the offer will be made by a company in which Mr. Robert Stigwood will eventually have a substantial equity interest," it was stated.

Stigwood already has links with Warner. Its RSO records are distributed in the U.S. by Warner's Atlantic record company and Stigwood is to begin production on May 19 of a film called Sparkle for distribution by Warner.

BACKING FOR RETROFLAME

Gloucester and Cheltenham Greyhounds has taken a 33 per cent. stake in **Retroflame**, the wood treatment specialists based in Weston-super-Mare, with an option to acquire a further 10 per cent. before July 10.

Gloucester and Cheltenham has subscribed 10,000 new £1 shares in Retroflame at par, with the option for a further 10,000. It has also acquired 23,000 of the shares owned by Retroflame's chairm Mr. G. Robinson for £9,200 sati fied by the issue of 23,0 Gloucester and Cheltenham shar to him which rank for the fin dividend for the year endi September 30, 1975.

Gloucester and Cheltenham also to lend Retroflame £22, for the development of its bu ness, repayable at a mont notice at any time after Ma 1977. Mr. Richard Watson, Gloucester and Cheltenha director, is joining the Retroflam Board.

Dowding and Mills spells out rejection

The directors of Dowding Mills have issued their detai reasons for advising sharehold to reject the £5.1m. bid m earlier this year by General E tric of the United States.

Mr. K. H. Sharp, the chairm says in a letter to sharehold that the 37p a share cash o dos not recognise "the ex tionally good profit record of group" and estimates pre-tax fits for the year ending June 1975, of £1.2m. against the vious year's £1.01m. He also that the proposed increased dend of 1.75p for the year in 1974) offers a yield at the price of 7.28 per cent.

Dowding and Mills, the le says, is now in a very hea financial position with no overdraft, more than adeq bank facilities, and is the quoted independent compa the U.K. electrical repair indu with extensive national cove and proven management.

Mr. Sharp says that in time depressed economic activity group has weathered the situ with "little if any setback" "based on our record, the every reason to expect that difficult times our profitab will fare better than Bri industry generally."

A number of opportunities further expansion within the are under active consideration the group has commissioned survey of the electrical re industry in Europe with possible objective of establish with a European partner a E pean base. There are also p to modernise some of the exi nine repair workshops in Br and "to increase the densi the Group's coverage of United Kingdom by the acq tion of suitable existing nesses."

ITT is Brocks suitor

The mystery company engaged in talks with **Brock Group**, best known for its fire alarms and marine navigation equipment, emerged last night as **Standard Telephone and Cables**, the British subsidiary of International Telephone and Telegraph.

Shares in the Brock group which had been at 60p earlier in the day closed at 56p after the company issued a statement saying that they had been informed by ITT that no further negotiations about a possible acquisition would be possible for another month.

Earlier this month Brock revealed that it was having talks with an unnamed company and its shares rose 16p on the news to 60p. At that price the company, which had pre-tax profits in 1974 of £1.01m., would be worth nearly £5m.

It is understood that ITT, through STC, is chiefly interested in Brock's considerable expertise in the fire alarm, navigation and other electrical equipment fields. For this reason it is likely that should the talks come to anything it will be an agreed bid, rather than a contested one, as ITT is believed to be anxious to retain Brock's existing management.

Unofficial etimates put the value of the burglar alarm market—which accounts for perhaps a third of Brock's business—at about £15m. a year but this excludes the market for safes, locks, guard dogs and other property protection systems. Last year it was estimated that the total "security market" was in the order of £90m.

A spokesman for STC said last night that it would be some time before the talks with Brocks would be completed and it was too early to say what would be their outcome. STC already has a marine navigation subsidiary—International Marine Radio Company—which services navigation systems on large commercial ships, including tankers.

LADBROKE BUYS CASINO

Ladbroke Group has completed the acquisition of the capital of **Hyde Park Casinos**, owners of London's Park Lane Casino, which has now come under Ladbroke management.

Ladbroke has allotted 750,000 Ordinary shares and these have been placed in payment of £1.2m. of the purchase consideration of £1.45m.

AIRFIX EXPANDS

Airfix Industries has acquired for an undisclosed sum **South Wales Plastics**, a private company based in Aberdare, engaged in injection moulding with a 20,000 square feet factory situated on 5.58 acres of land leased on a long-term basis. The acquisition will expand the group's moulding and assembly capacity and at same time provide scope additional production space the need arises, according to Ralph Ehrmann, chairman Airfix.

BRENT CHEMICAL ACQUISITION

Brent Chemicals Internati has agreed to buy **Sande Brothers**, and its wholly-ow subsidiary, **Sandeman's Var** for £71,000, of which £19,000 be paid on completion, and balance in monthly instalm without interest over app mately 18 months.

Sandeman is a private com incorporated in Scot specialising in the manufac and sale of industrial clea products and special varnishes recent years it has also be supplier to Brent and has lic Brent to market some of its ducts. In 1974 its net t profits were £16,000 and its balance sheet assets on Dece 31, 1974, were £97,000.

ASSOCIATES DEAL

Seligman Rayner announce on May 5 an associate of Co Holdings acquired 100,000 Ord at 55½p.

On May 5 S. G. Warburg bo on behalf of an associate Reed International at 262p.

Hedderwick Stirling Gru and Co. on May 6 bought 62 (14.94 per cent.) Consolid Commercial at 39½p on beha associates of Rubislaw Invest Trust.

TEXTILE MERGER

A merger between Te Bonding, which recently be a wholly owned subsidiar Tootal, and the business Fishbrook Laminates, a w owned subsidiary of Carri Viyella, has been agreed be the Boards of the respe parents.

Both Textile Bonding and brook Laminates are engage the commission laminatin fabrics for industrial and ap end uses, and Fishbrook is engaged in fabric coating activities are complementa

The merger will be effecte Carrington Viyella acquir 50 per cent. interest in Te Bonding in consideration transfer of the business of brook to Textile Bonding payment of £80,000 to Tootal joint company will retain name Textile Bonding.

FRENCH KIER

French Kier Holdings has is an additional 58,002 "A" Ordi shares as a final considerati the acquisition of RBW Const tion. Total amount paid for is about £816,000.

Ocean Transport sees trade recovery

Sir Lindsay Alexander, the chairman of Ocean Transport and Trading, thinks that the economic downturn will be of limited duration and that by the end of the year "we shall see the start of a recovery in world trade and prosperity." The group's confidence in its ability to carry through its plans in due course remains undiminished, he tells members.

The nationalisation of shipbuilding and repairing is unlikely to affect the group directly since its small shipbuilding activity at Ravenhoe and the in-house ship-repair activities are both well below the level of turnover that would make them subject to acquisition by the State, he reports.

The group can readjust to nearly all the changes in the national economic structure provided their application is practical and economic. "If, however, it is based upon political dogma and not grounded in good operating practice, we are all bound to suffer," Sir Lindsay declares.

As reported on April 23, taxable profits rose from £19.08m. to £...98m. in 1974. The dividend is ...473p (3.6581p) net.

An analysis of turnover £285.4m. (£192.5m.), and trading profit—£...11m. (£12.44m.), by activity, follows (£000s omitted): Ship operating £117.46m. and £15.73m., ship services £16.12m. and £2.41m., distribution £118.12m. and £0.73m., and others 33.7m. and a loss of ...6m.

The accounts show that there are capital commitments of £...55m. for which £76.04m. contracts have been placed.

During the year there was an increase in short-term loans of £...84m. (£2.26m.) and a decrease in bank loans and short-term deposits of £2.87m. (£0.13m.).

Sir Lindsay states that in common with every manufacturer of goods or supplier of services, the group has suffered a massive explosion in all costs. "The open freight market does not, at least in the short run, reflect cost changes of this nature which have to be borne by owners. In liner trades, although shippers have been willing to accept additional charges arising from currency movements and increased bunker costs, the group's ability to obtain appropriate rate increases to match other rising costs is all too often delayed. Nor do the increases obtained properly reflect the cost of replacement or the falling value of the paper profits made.

OCL contributed 42 per cent. of pre-tax profits in 1974. They had an outstanding year with maximum utilisation of containers and vessels. They cannot be expected to repeat that performance in a year of lower movement of general cargo worldwide, says the chairman, but their contribution will remain a most important element of profits over the years to come.

Meeting, Liverpool on June 2 at 2.30 p.m.

Chairman's statement Page 21

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—East Asiatic Rubber Estates, Lawdon, Wolseley-Hughes.

Finals—Aberdeen Construction, Abrasives International, John Beales, James Beattie, Rowton Hotels, Spencer Turner and Boldero, Takeda Chemical Industries, Ben Williams, Arthur Wood (Longport).

FUTURE DATES

Interims—

Australia and New Zealand Bkg.	May 19
Brockhouse (J.)	May 22
Management Agency and Music	May 14
Spooner Industries	May 23

Finals—

Ambrose Investment Trust	June 2
Bishopsgate Trust	May 12
Bonas Webb	May 16
Brixton Estates	May 12
Cater Ryder	May 15
Chamberlain and Hill	May 20
Duncan (Walter) and Goodricke	May 14
External Investment Trust	May 14
Slingsby (H. C.)	May 19
Sphere Investment Trust	May 13
Transatlantic and General Invest.	May 14

Laganvale in loss situation

Announcing a pre-tax loss of £108,209 for the six months to October 31, 1974, against a profit of £33,472, the directors of Laganvale Estate say that although further losses are anticipated for the second half, they are taking steps to remedy the situation.

For the full year to April 30, 1974, there was a pre-tax loss of £79,845 on which a dividend of 0.3p net was paid. The chairman, Mr. J. W. Chalk said in his annual statement last October that unless market conditions improved it was probable that further trading losses would be sustained in the year to April 30, 1975.

There was a loss per 10p share of 5.53p in the six-month period, compared with earnings of 0.86p. No interim dividend is payable.

Turnover amounted to £84,942, against £313,256. Trading profit was £9,643 (£87,101) and bank charges and interest, mortgage interest and directors' salaries totalled £117,832 (£53,629).

£2.78m. rise by Bank of Ireland

AFTER PROVISIONS against advances of £4.5m. pre-tax profit of The Bank of Ireland expanded from £15.3m. to £18.09m. in the year to March 31, 1975. The directors are recommending an increase in capital stock and a scrip issue.

The recommendation is that the authorised Capital Stock be increased to £30m. and that £6.82m. be applied in a scrip issue of £1 of Capital Stock for every £2 held May 16. This stock will not rank for the final dividend.

Stated earnings are 68.3p (56.3p) basic or fully diluted 61p. Dividend total is up from 20p to 24p with a final of 18p.

	1974/5 £000	1973/4 £000
Operating profit	22,587	15,290
Prvn. agnst. advances	4,500	—
Pre-tax profit	18,087	15,290
Tax*	8,737	7,355
Profit after tax	[illegible]	7,914
Minority interests	310	239
Attributable	9,040	7,675
Dividends	2,127	1,772
Retained	6,913	[illegible]
Stockholders Funds	71,623	65,067
Loan Stocks	15,650	5,400
Deposit, Current, Other Accounts	1,167,683	1,062,882
Liquid Assets & Invs.	561,343	525,988
Advance less provs.	833,537	588,394

* Including £1.88m. equalisation.

Good start for Appleyard

At the annual meeting of Appleyard Group of Companies, chairman Mr. Ian Appleyard reported that first-quarter profits were up by 10 per cent. from £319,000 to £352,000.

He said that although the new car market was extremely competitive, the new models from both Austin-Morris and Jaguar-Daimler will help to improve the group's share of it, and the used car centres provided the facilities to market the used cars taken in part exchange. However, prospects for the remainder of the year would primarily be influenced by national economic factors outside the group's own control, he added.

Now that the Ryder Report on British Leyland had been accepted by the Government, Appleyard's principal supplier was now assured of a future and the proposal to bring all its car manufacturing units into one company was to be welcomed, members were told.

There was no doubt that in the months ahead distributors would need to reorganise in line with the changes proposed for British Leyland, but the directors were confident that, as in the past, "our staff and up-to-date facilities will continue to have a vital and profitable part to play in this great industry of ours."

As reported on April 4, taxable profits were £879,016 (£950,212) for 1974 and the dividend is 3.875p (same) net.

Central Province Ceylon

The chairman of Central Province Ceylon Tea Holdings, Mr. S. C. Pyror, says in his annual statement that the current year to June 30, 1975 will have had the benefit of a full year's production to March 31, 1975 and the company anticipates another successful year, despite large increases in costs due to the escalation of oil prices.

The Commission on Agency and Brokering House in Sri Lanka has issued its report and, if all the recommendations are implemented, it will have "serious repercussions" on the future working of the operating company, he warns.

The position is not clear, but the directors will do all they can to ensure the company remains properly managed, members are told.

As known taxable profits jumped from £88,619 to £181,875 in the year to June 1974 and the dividend is 0.865625p (0.8375p) net.

Crowther & Nicholson

Woollen manufacturers Crowther and Nicholson incurred a pre-tax loss of £41,928 in 1974 compared with a taxable profit of £50,085 previously. Turnover fell from £1.34m. to £1.14m.

After a tax credit of £27,224 (debit £19,189) and exceptional debits of £15,463 (£16,874) the loss is £30,167 (profit £14,022).

The loss per 5p share before the exceptional items is shown as 0.21p (earnings 0.4414p). There is no dividend compared with a total of 0.1975p net last time.

GIBBONS DUDLEY

Mr. R. D. Turner, chairman of Gibbons Dudley told shareholders at the annual meeting that the current year was off to a good start and he was still of the mind that 1975 profits will be in excess of those of 1974.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or —	Div. Amount	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	£23¾	£23	Bell Canada ($25)	£23½	[illegible]	—	—	—	—
[illegible]	F.P.	—	£20¼	£17	[illegible]	£20½	[illegible]	[illegible]	—	4.4	—
RR2	Nil	—	90	86	Doornkraal Gold Mining	90pm	—	—	—	—	—
[illegible]	F.P.	—	131	120	Ewart New Northern	131	—	—	—	—	—
40	70	—	99	84	Rank "A"	94	—	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or —
[illegible]	F.P.	—	100¼	99¾	Agric. Mortgage 11½% 1976	99¾	[illegible]
£98	F.P.	—	£99½	£99½	Granges 9½% Bonds 1985	£99½	[illegible]
£97½	£40	—	38¾	32	G.L.C. 12½% Stk. 1982	37½	+¾
[illegible]	F.P.	22/5	[illegible]	10	Greenwood & Batley 15% Uns. 1978	[illegible]	[illegible]
£99	F.P.	30/5	102½	99½	Lincoln Corp. 12% 1980	100¼	[illegible]
£99	F.P.	30/5	101¼	101	Mid-Kent Water 10% Prf. 1980	[illegible]	[illegible]
[illegible]	F.P.	25/5	[illegible]	11½	Mid-Southern Water 10% Prf. 1980	105	[illegible]
£100	Nil	—	9	8	N. Atlantic Secs. 9% Cnv. 89-93	8pm	+1½
[illegible]	F.P.	—	£98	£96½	Ottawa-Carleton 9% Deb. [illegible]	£97	[illegible]
£99	F.P.	—	£101	£99½	Papua New Guinea 9% Guar. 1985	£100	[illegible]
[illegible]	F.P.	—	101¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	[illegible]	[illegible]
£100	F.P.	—	148	122	Slough Estates 10% Conv. Uns. '87/90	148	+7
£99½	£25	1/8	45¼	43½	Southend-on-Sea 12½% 1981	43½	[illegible]
£99	F.P.	11/4	102	[illegible]	[illegible] Water 10% Prf. 1980	104½	[illegible]
[illegible]	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	104	[illegible]
£99½	£25	11/7	36½	35	Warwick County Council 12½% 1980	36	[illegible]
—	F.P.	14/2	[illegible]	[illegible]	Worth (Bond) 12% Conv. Cn.	56	[illegible]
£100	Nil	9/10	47	17	Yorks Chems. 12½% Conv. Uns.	22pm	+5

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date		Stock	Closing Price p	+ or —
55	Nil	—	—	Associated Biscuit	28pm	+5
20p	Nil	—	—	Aurora Holdings	[illegible]	[illegible]
60	F.P.	11/4	23/5	Barratt Devs.	101	+5
86	F.P.	7/5	16/...	Bridon	137	+5
30	F.P.	28/4	30/4	Camford Eng.	29	—
35	F.P.	15/4	16/5	Consolidated Gold Fields	260	+8
[illegible]	F.P.	—	—	Croda Int.	61½	+1½
35p	Nil	—	—	Delta Metal	13½pm	+1½
30	Nil	—	—	EZ Inds.	78pm	+3
[illegible]	F.P.	—	—	[illegible]	203	+3
[illegible]	F.P.	—	—	Fothergill & Harvey	70	—
75	Nil	—	—	Guest Keen	55pm	[illegible]
[illegible]	F.P.	15/4	16/5	McPherson (D.)	31	+1
50	Nil	—	—	Martin Black	35pm	+5
50	Nil	—	—	Morgan Crucible	23½pm	+½
[illegible]	F.P.	—	—	Rolls-Royce	53	+2
60	Nil	—	—	S.K.F. "B"	200pm	+25
[illegible]	F.P.	2/4	16/5	Sketchley	56	—
[illegible]	F.P.	—	—	Spirax-Sarco	106pm	+1
[illegible]	F.P.	22/4	22/5	Steetley	115	+5
[illegible]	F.P.	29/4	1/5	Tube Invs.	274	+10
[illegible]	Nil	—	—	Western Selection	6pm	—

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ¶ S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. ◆ Issued to former Preference holders. ■ Allotment letters for fully-paid. • Provisional or partly-paid allotment letters. ★ With warrants.

Lubok's strong position

DURING 1974 Lubok Investments expanded and changed "beyond all recognition," and this has resulted in shareholders funds increasing from £771,000 to £2.26m. by the year end, reports chairman Mr. Jim Slater.

Since the year end a number of transactions have been completed and these are reflected in a pro-forma group balance sheet. Investments appear at £1.96m. (£1.05m. at Dec 31 1974) —including £1.57m. (£1.05m.) overseas—and current assets total £3.7m. (£4.75m.), including Krugerrands at £1.98m., with a market value of £2.15m. Bank balances are shown at £905,000 (£4.1m.) and the overdraft is eliminated (£726,895).

The group intends to recommence paying dividends this year. The exact level will depend on earnings, which the chairman expects will show a "substantial increase" over 1974. In that year net attributable revenue improved from £25,830 to £29,480.

Referring to the group's purchases Mr. Slater says that the enlarged Malit Group—Lubok has a 28.6 per cent. stake—now has funds of around £1m. and its portfolio (managed by Lubok) has been reorganised with an emphasis on gold and gold mining shares. Malit will pursue an active acquisition policy.

Lubok's first complete offer was for Investments in the West (assets of £2.1m.) and this was closely followed by Elevators and Engineering (assets of £1.9m.). These two acquisitions brought substantial liquidity to Lubok, enabling it to start 1975 in a "very strong and flexible position," with cash balances of £4.1m. as shown by the group balance at December 31.

Early in 1975 the group reduced its gold share portfolio and have since concentrated investment in Krugerrands which the directors regard as an "outstanding investment" at present.

Since the year end, Lubok has increased its foreign currency loan facility to the equivalent of US$4.0m., and, having sold a major part of the gold share portfolio has invested substantially in five-year dated South African municipal and public utility loan stocks. At present exchange and currency premium rates, eventual capital profit will be over £1m. and meanwhile the interest receivable equates with the cost of the long-term borrowings, says the chairman.

At the year-end the group had accumulated losses of some £2m., which at current rates, should save £600,000 in future tax payments.

Lubok is actively seeking out further acquisition and investment situations.

Meeting, 30, St. Paul's Churchyard, E.C., June 3 at 11.30 a.m.

Davenports Brewery up so far

IN THE half year to March 31, 1975 profits of Davenports Brewery (Holdings) advanced from £477,000 to £552,000 before tax of £287,000 compared with £250,000.

The interim dividend is lifted from 0.58625p to 0.6625p net. Last year's total was 2.1105p paid from profits of £940,245 before tax.

Capitol runs into 3rd quarter loss

A NET loss of $377,000 was incurred by Capitol Industries—EMI in the third quarter of 1975, compared with income of $2.55m., leaving the total net income figure for the first 9 months down from $8.22m. to $5.37m.—or from $1.80 to $1.01 per share.

Third quarter sales were lower at $23.57m., against $34.41m. and the 9 months total comes through at $94.51m. compared with $110.46m.

Mr. Bhaskar Menon, president and chief executive officer, explains that the sales decline plus the continuing pressure of cost increases, accounted for the loss in the third quarter. Some improvement is foreseen for the fourth quarter, and "indeed April sales were the highest for any month since last December."

While management attention continued to be focused on tight cost controls "we cannot be more than cautiously optimistic about the future until consumer demand recovers to former levels with a sustained improvement in the national economy," states Mr. Menon.

Hall Bros. Steamship in profit

Hall Brothers Steamship Company is back in profit with £89,606 pre-tax for the year to August 31, 1974, compared with a £2,765 loss previously.

Earnings are shown as 15.72p per £1 share against a loss of 3.675p. A second interim dividend of 3.61p net making 5.36p (4.55p) has already been announced.

The chairman, Lord Gisborough, says in his annual statement that employment for all the companies ships has been arranged for the remainder of the year and well into the following company year, all at remunerative rates.

Subject to unforeseen circumstances arising it is anticipated trading results for the year to August 31, 1975, will show a "good improvement" on those now reported.

	1973/4 £	1972/3 £
Turnover	619,011	523,362
Trading profit	116,275	47,551
Net interest payable	26,669	50,316
Pre-tax profit	89,606	*2,765
ACT irrecoverable	15,348	10,274
Extraord. credits	167,281	†46,380
From depreciation reserve	—	30,000
Available	241,539	*29,399

* Loss. † Debits.

E. Chalmers profit down £100,000

After rising by £20,000 to £121,000 in the first half, taxable profits of ingot manufacturers and metal merchants, E. Chalmers Holdings in the year to February 28, 1975, were almost £100,000 lower at £200,416.

Turnover fell from £3.78m. to £3m. Tax takes £58,234 against £63,362. Earnings are shown to be down from 7.58p to 4.71p per 10p share. The dividend is raised from 0.9029p to 1.1p with a final of 0.55p.

1.15p by Atlas Electric

Atlas Electric and General Trust is raising its dividend from 1.03p to 1.15p net for the year ended March 31, 1975, the final being 0.8p per 25p share. Earnings worked out at 1.31p (1.38p).

Gross income came to £3.27m. (£2.93m., including £0.23m. deferred from 1973), and net revenue was £1.56m. (£1.64m.) after tax of £0.91m. (£0.86m.).

Net asset value per share is shown at 45p (43½p).

Decline at Roberts Adlard

A NEAR £34,000 drop to £527,422 in profits for 1974 is reported by Roberts Adlard, roofing contractors and builders merchants.

At halfway, the decline was £15,000 to £185,000.

Earnings are given as 10.21p (12.06p) per 25p share, and the dividend is raised from 3.0109p to 3.264p net, with a final of 1.9515p.

Turnover was virtually static at £5.97m. (£5.96m.). Tax takes £282,500 (£272,000) to leave the net profit at £244,922 (£289,335).

WM. RAINFORD

The ready mixed concrete interests of William Rainford, of Leckwith Road, Liverpool, have been acquired by Tarmac Roadstone Holdings and will now be conducted under the name of Tarmac Readycrete.

Downturn at Ciba-Geigy continues into 1975

BY JOHN WICKS ZURICH, May 8.

GROUP SALES of the Ciba-Geigy chemical concern rose by 15 per cent. last year to Sw.Frs.9.35bn. (Sw.Frs.8.15bn.) and would have shown a 24 per cent. increase to some Sw.Frs.10bn. had it not been for the rise in Swiss-Franc exchange rates. The revaluationary development of the Swiss currency, together with the sharp increase in raw material costs and the recession in important user industries in the second half of 1974, also led to an actual fall in the group's operating profits, it was stated at a Press conference of the parent company Ciba-Geigy AG in Basle. These fell over the year from Sw.Frs.567m. to Sw.Frs.473m., instead of showing an increase of Sw.Frs.68m., or 12 per cent., as would have been the case with unchanged Swiss-Franc rates.

The parent company itself attained a slightly higher net profit figure of Sw.Frs.115.4m. (Sw.Frs.112.9m.), however, from which it is intended to distribute an unchanged dividend of Sw.Frs.22 per share and participation certificate.

The downturn in business recorded in the second half of 1974 has continued into this year, according to company spokesmen. For the first quarter of 1975, group sales in terms of Swiss Francs were 11 per cent. lower than in the corresponding period of last year—despite an actual rise of 7 per cent. expressed in local currencies. In the first quarter, and probably in the current second quarter, capacity in dyestuffs and the plastics/additives product group is being under-utilised.

Company President Dr. Louis von Planta said that the company was convinced that it could handle the recession but that a particular burden was placed on the undertaking by the monetary situation. Should the Swiss Franc remain at around 2.50 to 2.55 to the dollar, he said, this could affect the 1975 financial result "very seriously."

A breakdown of group turnover for 1974 shows rapid growth of sales values for the product group's agro-chemicals, by 34 per cent. to Sw.Fr.2.24bn. (Sw.Fr.1.67bn.), consumer goods by 31 per cent. to Sw.Fr.324m. (Sw.Fr.246m.), and plastics and additives, by 22 per cent. to Sw.Fr.1.74bn. (Sw.Fr.1.43bn.). Elsewhere, sales of the Ilford group (photographic products) went up by 8 per cent. to Sw.Fr.452m. (Sw.Fr.417m.), those of pharmaceuticals by 6 per cent. to Sw.Fr.2.47bn. (Sw.Fr.2.34bn.) and turnover in dyestuffs and chemicals by only 3 per cent. to Sw.Fr.2.12bn. (Sw.Fr.2.05bn.). Total group sales in the U.K. rose in local-currency terms by 17 per cent. last year to £93m. (£80m.).

Investments rose sharply to Sw.Fr.824m. (Sw.Fr.661m.) in 1974, of which Sw.Fr.407m. went on the parent company's installations. Further shares of 18 per cent. each went to the U.S. and Federal Germany, and 10 per cent. to the U.K. Investment expenditure is intended to be at about the same level in 1975, it was stated in Basle, no projects having yet been scrapped or postponed.

The parent firm has undertaken not to declare any redundancies this year due to the recession. A number of cost-saving measures will, however, go through, including the re-disposition of some 250 employees within Ciba-Geigy AG, a limitation of overtime and, in plants working below full capacity, shift and week-end work, and a re-occupation of vacancies only in exceptional cases.

Fuel costs hold back Intercom

By David Curry BRUSSELS, May 8.

LAST YEAR'S sharp rise in fuel costs dealt a sharp blow to the profit growth of the important Belgian utility Intercom. After hoisting 1973 profits to B.Frs.1.757bn. against B.Frs.1.237bn. in 1972, the company could manage only a slight improvement in 1974 to B.Frs.1.893bn. Although higher fuel charges were passed on to customers, there was an inevitable interval before prices could be adjusted.

Intercom is in the production and distribution of electricity and distributes gas for the Electrobel group. It serves some 4m. people with electricity and some 3.5m. with gas. It is involved in nuclear power stations while disposing of 14 conventional electrical power plants.

To the pre-tax profits as a result of trading in 1974 must be added B.Frs.20.5m. brought forward from the previous year and extraordinary profits of B.Frs.48.47m. After extraordinary charges and other deductions the net distributable profit was B.Frs.1.97bn. against B.Frs.1.77bn. the year before. The dividend is being held at B.Frs.129 net on old shares and B.Frs.86 net on new shares.

In 1974 the company made substantial investments, direct and indirect, of the order of B.Frs.5bn. In December, 1973 the company issued a B.Frs.1bn. private loan and in October last year it raised B.Frs.2bn. by public offering. At the end of April it also increased its capital by B.Frs.2.34bn.

Margins under pressure in Japanese shipbuilding

BY PETER DUMINY TOKYO, May 8.

THOUGH ACTIVITY at the yards remains brisk, Japan's shipbuilders are being pinched between fixed-price contracts and rising costs. This has now been apparent for a full year, and is likely to become more pronounced as time goes by, despite limited success in negotiating escalation clauses in recent contracts.

Hitachi Shipbuilding reports turnover up 28 per cent. to £436m. for the year ended March 31, but pre-tax profits down 36 per cent. to £19.2m. and earnings 25 per cent. lower at £5.3m.

Mitsui Shipbuilding had a 32 per cent. increase in sales to £397m., but pre-tax profits fell 34 per cent. to £28.2m. and earnings by 47 per cent. to £9m.

Ishikawajima-Harima Heavy Industries (IHI) is a diversified heavy engineering concern, but with shipbuilding accounting for about 40 per cent. of its turnover of £915m., pre-tax profits dropped 40 per cent. to £41.4m.

At Mitsubishi Heavy Industries, shipbuilding accounts for 30 per cent. of sales of £1.6bn. Pre-tax profits were 22 per cent. lower at £73.2m. In the second half they were 35 per cent. lower than in the corresponding months of 1973-74, at £25m.

These four companies own 20 of the 35 yards covered by the Ministry of Transport's annual survey. This recently revealed that 11 contracts out of 425 new orders (for 9.3m. tons of shipping) concluded in 1974-75 contain escalation clauses. Clearly, this is small consolation to the industry.

Meanwhile yards have the headache of actual and potential cancellations of orders for large tankers. The Transport Ministry said that 12 orders had been withdrawn last year, though seven of these had been replaced by orders for other types of shipping.

More recently, however, Hitachi has conceded that five or six buyers of supertankers are seeking cancellation, a number not included in previous statistics. Some shipping sources believe that almost all unfilled orders for very large and ultra-large crude carriers (tankers of 200,000 tons upwards) may be in jeopardy.

The implications of this would be considerable because the 35 yards collected 171 such orders, covering 33.7m. tons, in the two years ended March 31. The total order book on April 1 was for 505 vessels of 40m. tons.

Shipbuilders are reported to be asking for a three to fourfold increase in allocations by the Ex-Im Bank, to finance deferred payment contracts.

Gains in construction

BY PETER DUMINY TOKYO, May 8.

HELPED BY falls in lumber and other raw material prices, Japan's construction industry is yielding much the best corporate results for the October-March accounting period. The four top contractors (including estimates for the biggest, Kajima, which reports to end-May) have achieved a 20 per cent. pre-tax profit lift to around £72m., on sales 13 per cent. higher at £1.56bn., compared with the corresponding months of 1973-74.

Shimizu made the sharpest turnround from the recession which set in mid-way through 1973-74. Second-half profits were 40 per cent. higher at the pre-tax level in 1974-75 (at £14.8m.), and earnings were 25 per cent. higher at £7m. For the full year earnings were restored to £13.8m. on turnover 7 per cent. higher at £709m., while pre-tax profits rose 44 per cent. to £34.5m.

Taisei's second-half profits were 35 per cent. higher before tax on a 1 per cent. increase in sales to £399m. As a result, the year's £39.4m. pre-tax was 12 per cent. higher on turnover of £806m. Earnings were maintained at £18.9m.

Ohbayashi-Gumi performed less well. Although turnover for the year was 21 per cent. higher at £763m., pre-tax profit rose only 2 per cent. to £25.5m. and earnings were 8 per cent. lower at £12.3m. However, this company also made up lost ground in the latest half-year.

These results may seem remarkable for a period of undoubted recession in the building industry, as well as slack in the property markets (all the big contractors are heavily involved in real estate). The explanation appears to be that construction companies were successful in holding prices up despite an estimated 15-20 per cent. drop-off in work completed (in real terms), while suppliers of lumber, steel and other materials were not able to do so. There was a 7.5 per cent. drop in the average price of builders' supplies from February to the end of 1974.

Since October the stock markets have marked up the leading contractors by percentages ranging from 55 per cent. for Ohbayashi-Gumi to 75 per cent. for Taisei. This was apparently in anticipation of the good results now in, but also in hopes that property sales and construction orders will both pick up.

Ford sees return to profit

MICHIGAN, May 8.

HENRY FORD II, chairman of Ford Motor, told the annual meeting "I can assure you that we expect to be in the black for the second quarter." The motor company incurred a $105m. loss in the first quarter before accounting changes which reduced the loss to $11m.

Mr. Ford's promise of profitability was in line with the forecasts of Wall Street analysts who had expected the company to show a modest profit in the current quarter. The best reason to expect improvement in the company's performance is the evidence that the world-wide business slump appears to have reached bottom, Mr. Ford said.

He noted that in the first quarter Ford Motors loss reflected primarily losses from its North American and European vehicle operations which constitute the majority of Ford's business. But, he said, all other major operations were profitable and cited profit gains in the company's finance and insurance subsidiaries, Latin American motor operations and tractor operations.

He added that U.S. industry car sales have been improving slowly from last November's low point.

AP-DJ.

Kaufhof net profits improve

BY JONATHAN CARR BONN, May 8.

KAUFHOF, one of West Germany's leading department store chains, announces increased net profit and an unchanged dividend for 1974, and sees progress so far this year as a sign that 1975 will yield a satisfactory result, too.

The stores had a particularly difficult time in 1973, following the government's strenuous measures to cool the economy and dampen consumer spending, and net profits of the leaders—Karstadt, Kaufhof and Horten—were all down.

Now progress by the big stores is being watched with more than usual interest to see how the public may be reacting to the new official line — that savings are disproportionately high and that personal consumption should increase so that the flagging economy can pick up once more.

Kaufhof reports that its net profit rose in 1974 to DM81m. against DM78m. in 1973, and an unchanged 20 per cent. dividend is proposed on share capital of DM300m. A total of DM21m. is being added to reserves, which thereby increase to DM463m.

As for this year, sales rose in the first quarter by 13 per cent. to DM1.16bn. Part of this is accounted for by an increase in sales area, but even when this factor is excluded the increase is of 10 per cent. This compares with a six per cent. unadjusted sales rise in the first quarter last year and indicates that the first signs of an upswing in consumption are already evident. Profit, so far, is around the level of last year.

The announcement by Kaufhof follows Karstadt's recent statement that group turnover rose by 12.7 per cent. in the first quarter against the same period of 1974 for a total of DM1.72bn. The concern also said that savings and rationalisation measures had maintained profit rates.

Bayerische Landesbank to increase capital

BY JONATHAN CARR BONN, May 8.

BAYERISCHE Landesbank Girozentrale, of Munich, the second largest of the West German provincial state banks, reports strong increases in business volume and profit in 1974, and is likely to increase its capital shortly.

Net profit rose by DM23m. to DM90m., of which DM50m. (against DM27m. in 1973) is being added to reserves. The remaining DM40m. is being paid out as an unchanged 10 per cent. dividend on capital of DM400m.

The bank's balance sheet total was up by 15.2 per cent. (against 12.9 per cent. in the previous year) to DM40.8bn., with foreign business now accounting for some 20 per cent. of total earnings.

The bank's liable capital (share capital plus reserves of DM794m.) stood at DM1.19bn. at the end of 1974—or 2.9 per cent. of the balance sheet total against 3.2 per cent. in 1973. The bank is aiming at an increase in the ratio to between 3.5 per cent. and 4 per cent., and an early capital increase, probably of DM100m., is expected.

Rothschild Zurich pays more

By John Wicks ZURICH, May 8.

THE ZURICH-BASED Rothschild Bank AG is to pay an increased dividend of 11 (10) per cent. for 1974 after a rise in profits to Sw.Frs.6.06m. (Sw.Frs.5.28m.). Prior to the close of its books, the bank transferred Sw.Frs.10.5m. from undisclosed inner reserves into open reserves, bringing the total for capital plus open reserves up to Sw.Frs.37.1m. The company, which is primarily engaged in portfolio management and the investment advisory business, is controlled by the French and British Rothschild concerns.

Sunoco may cut its spending

BY MARGARET HUGHES

LIKE MANY of the oil majors Sun Oil (Sunoco), which is the twelfth largest oil group in the U.S., may have to revise downwards its capital spending plans for this year.

Sunoco, which has in the past been rather proud of its investment record, initially planned to invest between $600m. and $750m. in 1975.

But Sunoco president and chief executive Mr. H. Robert Sharbaugh, speaking at a London Oil Analysts Group meeting to-day, said that this spending budget had been set before the change in U.S. tax depletion allowances and other domestic energy measures had been introduced. Added to which there has been a significant downturn in earnings over the last quarter of 1974 and first quarter of the current year.

For these reasons he now expects this year's capital spending, which was in any case set some way below the previous year's total of $850m., to be much nearer the $600m end of the range. The company is also identifying ways of "going below the $600m. level but does not at this stage expect to have to do so."

When Sunoco drew up its initial spending budget for 1975 it had just achieved record 1974 earnings of $377.7m. This represented a jump of 64 per cent. on 1973 while sales, largely because of the substantial increases in domestic crude oil prices, were up 66 per cent. at $3.79bn.

But last year's fourth quarter results reversed the trend. Net income was down to $53.87m. from $74.87m., although sales were up at $1.02bn. against $708m. This decrease was primarily attributed to a softening in domestic petroleum prices, increased operating costs and higher foreign income taxes.

This downward trend accelerated in the first quarter of the current year when net income was down 63 per cent. at $33.28m. from $90.62m. in the comparable quarter of 1974. Revenues rose to $935.5m. from $855.2m. but return on revenues was 3.6 per cent. against 10.6 per cent. a year earlier.

But despite this setback, Mr. Sharbaugh "does not interpret the first quarter results as setting the earnings pattern for the rest of the year." He in fact expects income levels to pick up. But the extent to which they do, is, he claims, "more a political than an economic factor," for he feels that there are likely to be further changes in U.S. energy regulations which will inevitably affect his company's performance—the only questions are what and how much.

The present downturn he regards as temporary and due to special factors, including the retroactive tax code revisions, pricing regulations and foreign taxes which have, he said, "doubled" during the period. Added to this the depressed U.S. economy has hit sales volume of high-value products such as petrochemicals and lubricants, where Sunoco is the second largest producer.

The company has been further troubled by its Athabasca tar sands project which is operated by its 98 per cent. subsidiary Great Canadian Oil Sands (GCOS). This venture, which is the world's first oil sands plant, has been a considerable drain on the company resources.

Altogether Sunoco has poured a $300m. investment into GCOS but it was only in the latter months of last year that this project, eight years after start-up during which it knotched up operating losses totalling $90m., that the company first turned in a profit.

For 1974 GCOS made a book profit of $11.9m. but this, as Mr. Sharbaugh admitted to-day, was only after withholding payment of preference dividends. In the first quarter of the current year it has been hit by further technical problems which come from operating a plant in the winter conditions of Alberta.

As a result it has only been operating at 40,000 barrels a day capacity, against a rated capacity of about 50,000 barrels. But even operating at full capacity Mr. Sharbaugh considers it doubtful that it will ever become profitable until the Canadian oil price, currently $6.50 a barrel, is brought up to world prices.

But he is hopeful that this will eventually happen now that the dispute between provincial and federal governments in Canada looks like resulting in at least some increase in the Canadian price. Added to this the syncrude tar sands project, in which the Alberta and Ottawa governments now have a 30 per cent. stake, will be allowed to sell its crude at world prices when it comes on stream in 1978. In this event, he argued, it is difficult to see why the concession should not be extended to its competitors such as GCOS.

Bell Canada to seek higher rates

BELL CANADA reports operating revenues of $117.[illegible] ($117.44m.) for the first quarter to March 31. Net sales revenues rose to $C30.71m. ($C26.[illegible]) while total net revenues increased to $C15[illegible] ($C150.89m.).

Income before an extra-ordinary item fell slightly to $C53.54m. ($C56.34m.). Earnings per share, before extra-ordinary items were $C1.28 ($C1.41), after extra-ordinary item $C1[illegible] ($C1.41). A dividend of $C[illegible] ($C0.78) is to be paid.

The chairman says because the need to meet current and anticipated customer demands has necessitated heavy capital expenditure programmes they are to file an application with the Canadian Transport Commission for a rate adjustment which would help them achieve adequate earnings for the year 1975.

Sales growth at Oy Nokia in 1974

By Lance Keyworth HELSINKI, May [illegible]

OY NOKIA AB has reported an increase in its sales for the fiscal year 1974 of 39 per cent. to Fmks.1.82bn. (approx. £195m.) to which must be added Fmks.230m. in sales by Finnish subsidiaries and Fmks.97.1m. turnover of foreign offshoots.

Exports accounted for 41.6 per cent. of total turnover. The biggest market was Comecon, taking 39 per cent. of total exports, followed by the EEC (31 per cent.) and EFTA (18 per cent.).

The best result, in terms of sales figures, was recorded by the electronics division, up [illegible] per cent. to Fmks.149.5m. Almost the entire increase in sales was due to volume growth, but because of inadequate protection against inflation in the [illegible] contracts the real result did not come up to expectations. The forest industry division increased its sales by 66 per cent. to Fmks.130.2m. This was almost entirely to price increases but profitability in this division was satisfactory for the first time in many years.

The cable division benefited from the construction boom in 1974 and boosted its sales by [illegible] per cent. to Fmks.604.6m. The rubber division, where again the increase was due almost entirely to price increases, improved its result by 45 per cent. and raised up total sales of Fmks.289[illegible]

Investment expenditure totalled an all-time record Fmks.191.6m. (about £23m.) to which should be added Fmks.37.5m. expended on research and development, 2.3 per cent. of Nokia's turnover for the year.

The company's profit for the year was Fmks.24m. It declared a dividend of 10 per cent. on old share capital of Fmks.15[illegible] and 5 per cent. on the 1974 issue of Fmks.52m.

Goodrich plan for Vredestein

BY MICHAEL VAN OS

B. F. GOODRICH has said that it is prepared to invest Fls.48m. in the next two years in its Dutch tyre and rubber products subsidiary, Vredestein, on condition that it is allowed to accelerate the drastic reorganisation programme which was started last year. The proposed investment would be Fls.20m. more than released from depreciation and compares with annual investments of around Fls.10m. to Fls.12m. annually over the past few years. But Goodrich would not give details of the nature of any new investments.

The new reorganisation plan would involve a grouping of certain product lines and the weeding out of others which are not profitable. A problem here is fierce competition from some synthetic products. A new condition for the investment injection is also that full agreement and co-operation is guaranteed by the trade unions—which earlier rejected reorganisation plans which involved the closure and sale of some factories in Holland.

According to Vredestein the accelerated reorganisation plan is said to be necessary to ensure the continuity of the company, which has been affected by falling demand for a number of its products resulting from the declining economy. It would entail the loss of about 350 jobs this year, half of which would involve redundancies while the natural wastage would help take care of the remainder.

Following severe pressure recently from the trade unions at Vredestein, B. F. Goodrich has also agreed that Vredestein could ultimately become an independent Dutch company again with Goodrich maintaining a "durable minority interest." Vredestein could be so organised that it would have access to the capital market some time in the future and that it could issue shares after a stock exchange listing was obtained.

The reorganisation programme now being carried out has caused a lot of difficulties for the company. For some time there have been reports emanating from the unions that there were increasing fears that, partly as a result of the economic decline, Goodrich intended to allow Vredestein to run down and ultimately to go into liquidation. The unions then started to press for the company to be made more independent from its U.S. parent and demanded that the investment and disinvestment decisions be taken from the head office in Loosduinen instead.

According to the latest reports from Vredestein in Loosduinen the trade unions have apparently agreed to abide by the newly laid down restructuring programme.

Company Results

Singer recovery hopes

● Singer expects an improvement in the second quarter and generally better results in the second half year, senior vice-president Donald G. Robbins Jr. said. It reported a first quarter loss of $3.7m. ($16.7m. profit). The bulk of the loss was incurred in January and results have improved since then, he told the annual meeting.

● Kawasaki Steel—Six months net earnings to March 31 fell sharply to Y4.67bn. (Y8.10bn. preceding six months). Gross sales rose to Y455.27bn. (Y424.25bn.). A dividend of Y2.50 (same) is to be paid.

● Kanebo, a major Japanese textile company, said it is considering paying a stock dividend rather than cash for the half year ended April 30 because of a large deficit. Officials said the company is expected to have suffered an operating deficit exceeding Y5bn. in the April term, but they declined to estimate its sales or the amount of the projected stock dividend. It reported a Y3.249bn. net profit for the half year ended April 30, 1974, on sales of Y205.901bn.

Officials said the projected switchover to a stock dividend from cash is necessary because of a clause attached to a contract under which Kanebo sold Y7bn. worth of 10-year, Unsecured Convertible Bonds in 1974. The clause, designed to protect the purchasers of unsecured securities, prohibits Kanebo from disbursing cash dividends if the payout cannot be covered by after-tax profit plus Y2.5bn.

SELECTED EURODOLLAR BOND PRIC[ES]

MID-DAY INDICATIONS

CONVERTIBLES

	Bid	Offer
American Express 4¼pc '87	82	84
Ashland 5pc 1988	74	88
Beatrice Foods 4¼pc 1992	84	86
Beatrice Foods 4½pc 1992	95	97
Borden 5pc 1992	89	91
Broadway Hale 4½pc 1987	70	72
Canon Camera 7¼pc 1989	92	94
Carnation 4pc 1987	88	90
Chevron 5pc 1988	89½	91½
Dart 4¾pc 1987	84	86
Eastman Kodak 4½pc 1988	118	120
Economic Labs. 4¼pc 1987	80	82
Eidai 7½pc 1989	105	107
Ford 6pc 1986	51	53
Ford 5pc 1988	72	74
Fuji 6½pc 1985	118	
General Electric 4¼pc 1987	82	84
Gillette 4¾pc 1987	78	80
Gould 5pc 1987	79	81
Halliburton 4¼pc 1987	125	127
Harris 5pc 1992	68	70
Hitachi 6¾pc 1984	110	
Honeywell 6pc 1986	83	75
ITT 4½pc 1987	69	71
Komatsu 6¾pc 1984	165	
J. Ray McDermott 4¾pc '87	125	127
Mitsui 6¾pc 1989	161	
J. P. Morgan 4¾pc 1987	123	125
Motorola 4½pc 1983	125	
Owens Illinois 4½pc 1987	85	87
J. C. Penney 4½pc 1987	88	90
Pioneer 6¾pc 1989	113	115
Rand Selection 6½pc 1986	104	
Rank 4½pc 1993	42	44
Revlon 4½pc 1987	101	103
Sperry Rand 4½pc 1987	84½	86½
Squibb 4½pc 1987	85	87
Toshiba 6½pc 1985	123	
Union Carbide 4¾pc 1982	111	113
Warner Lambert 4½pc 1987	83	85
Warner Lambert 4½pc 1988	82	84
Xerox 5pc 1988	75	77

Source: Kidder, Peabody Securities.

STRAIGHTS

	Bid
Amax 8¾pc 1986	99
Ashland 8pc 1987	98½
Australian 8pc 1987	90½
BFCE 9pc 1989	96½
Borregaard 8¾pc 1989	93½
Carrier 7pc 1987	89
Conoco 8pc 1986	94½
Consol. Foods 7¼pc 1991	83
Cutler Hammer 8pc 1987	90½
EID 9¼pc 1985	100½
Esso 8pc 1986 Nov.	95½
General Cable 8¼pc 1987	88
General Motors 8¾pc 1986	100½
GTE 8¼pc 1989	95½
ICI 7¾pc 1992	78
Nat. Grindlays 7½pc 1987	78
Pacific Light 9pc 1988	88½
Prov. of Quebec 7¾pc 1988	87
Quebec Hydro 8¾pc 1989	95½
Queensland 8¾pc 1989	89½
Scanraff 8¾pc 1988	92
Shell 8pc 1990	93½
Stand. Oil (Ind.) 8¾pc '88	97½
Tenneco 7¾pc 1987	82½
Transocean 8pc 1988	94½
TRW 8¾pc 1986	92½
Urab 8pc 1987	88½
Volvo 8¾pc 1985	89

NOTES

	Bid
Air France 9¾pc 1978	100½
Australia Ind. 10¼pc 1981	103
Barclays 7¾pc 1978	97
Cie. Natl. Rhone 10pc 1982	103½
Du Pont 7¾pc 1978	99½
Esso 7pc 1978	98½
General Motors 8¾pc 1976	100½
Marubeni 9¾pc 1982	100½
Nippon-Fudosan 10¾pc 1981	102½
Skandinaviska 10¾pc 1981	101½
Tenneco 7¾pc 1978	98
Tokyo Curacao 10¼pc 1981	102½

Source: White Weld Securities.

FARMING AND RAW MATERIALS

Commodity pacts plan outlined

By John Edwards

ELEVEN "promising candidates" for commodity agreements are outlined in the Government's White Paper on World Economic Interdependence and Trade in Commodities officially issued yesterday, setting out the suggestions put forward by Mr. Harold Wilson, the Prime Minister, at the Commonwealth meeting in Jamaica last week.

The White Paper cites a list of commodities, where some moves or international agreements or arrangements have been made. These are cereals; cocoa; coffee; copper; dairy products; rubber, sisal and jute; sugar, tea and tin. It claims that the remaining commodities would appear to be unpromising for one reason or another.

As Mr. Wilson said in his statement to the Commonwealth meeting in Jamaica, one of Britain's proposals for action to give fresh impetus for producers and consumers to conclude commodity pacts is to identify which commodities are appropriate for such agreements and then to analyse commodity by commodity the appropriate mechanism for the regulation of trade and examine ways in which the financial burden entailed might be appropriately financed.

Another of the specific proposals for action outlined by Mr. Wilson was the establishment of the framework of a scheme for stabilisation of export earnings from commodities.

The White Paper points out that an advantage of an earnings stabilisation scheme is that it covers a producing country's problems due not only to falling prices but also to crop failure or mining disaster.

Secondly if the country is heavily dependent on more than one export commodity, some of which are not suitable for agreements, earnings stabilisation linked to total exports would provide more comprehensive assistance.

Moves to extend EEC common farm policy

BY ROBIN REEVES

BRUSSELS, May 8.

THE EUROPEAN Commission is shortly to begin drawing up proposals for extending the Common Agricultural Policy to lamb and mutton and a number of other farm products—against the expressed wishes of the British Government. As recently as March, Mr. Fred Peart, the Minister of agriculture, told the EEC Council of Ministers that he saw no reason for a "common sheepmeat regime" in the foreseeable future.

However, the Commission is having to act otherwise. This is because of a recent ruling of the European Court of Justice in Luxembourg which condemned French national restrictions affecting the market for bananas on the grounds that they contravene Article 3 of the Treaty of Rome requiring the free circulation of goods throughout the Community.

Cut flowers

In doing so the European court went a long way towards condemning all national organisations of markets which restrict the free flow of goods within the EEC. These it defined as "a series of legal measures giving control of the market in the products concerned to the public authorities, with a view to ensuring, through growth in productivity and maximising labour efficiency, a fair standard of living for the producers, market stability, security of supplies and a fair price to the consumer."

The point is, national arrangements with these objectives in mind—which are in fact the fundamental objectives of CAP laid down in the Rome Treaty—apply not only to the marketing of bananas in France. They also apply to France's sheepmeat regime and to the national arrangements in a number of EEC countries for commodities like potatoes, alcohol and vinegar—and perhaps even cut flowers.

The net result is the Commission now feels legally bound to produce proposals for replacing such national arrangements by common policies for the commodities concerned. And top of the sensitive list for Britain are lamb and mutton.

The strict deadline for such common policies to come into force would be December 1977 because the Rome Treaty and the Treaty of Accession, for the U.K. and the other new member States, allow for national regimes to be maintained during a transitional period.

But the new common policies would have to be working by then. The Commission will have to begin work in the near future on proposals which are bound to be made heavy weather of by national governments in the Council of Ministers.

At present officials are avoiding even talking about the subject until after the U.K.'s referendum on June 5.

British Government objections stem from its concern that a common sheepmeat regime will be more restrictive than present arrangements and put up lamb prices in the shops. In particular, Community preference could lead to greater restrictions being placed on New Zealand lamb imports which still meet over 40 per cent. of Britain's needs.

Dismissing the need for a common sheepmeat policy last March, Mr. Peart also called on the Community to cut the 20 per cent. common external tariff on lamb as being unnecessarily high. New Zealand has formally complained that the tariff is hurting its producers.

Competition

Ireland, on the other hand, has been pressing the Commission for some time to bring forward plans for a sheepmeat regime. France, too, used to be strongly in favour before British entry but now is thought to be reluctant to see a common policy because it fears competition from U.K. producers. At present British lamb is exported to France only intermittently because the French national regime allows for the opening and closing of the frontier according to the movement of prices on the Paris market.

For this reason, U.K. sheep producers themselves would welcome a common lamb regime. When the French market is open it usually leads to a marked rise in their prices.

'CAP is now helping consumers'

BY OUR COMMODITIES STAFF

THE EEC's food and agriculture policy, which started as a way of keeping farmers' prices up, is beginning to be a way of keeping consumers' prices down, it was claimed in a paper* published by the Centre for European Agricultural Studies at London University's Wye College, yesterday.

And the policy, which was once criticised as highly protectionist is becoming markedly more liberal in international trading states the author, Mr. Simon Harris, who is an economist and advisor on EEC matters to an international food group.

He concludes that against the background of supply shortages for several commodities and unprecedented price increases between 1972 and 1974 the EEC's Common Agricultural Policy had been "almost brutally mutated from a policy solely devoted to the support of producers to one attempting to apply an even-handed stabilisation policy for producers and consumers with a range of policy measures available for both."

There had also been an increased incorporation of the CAP into the Community's external face stated Mr. Harris. For many times the EEC had been reminded of its dependence on third country supplies and as a consequence had shown itself much more ready to make agricultural concessions in return for trade and co-operation agreements with many countries.

Although far-reaching, few of the concessions had been made in the core of agricultural products which were subject to variable levies. "But for many of these latter products there is little developing country interest, while for the few of these products that developing countries may be interested in, the CAP may well be moving towards some form of market sharing, as has already happened for sugar," he states.

In the past two years CAP price levels for many important agricultural commodities had been below world levels. Although world prices had receded from their 1974 peaks it seemed likely that in future, world wide inflationary forces and the increasing interdependence of national economies would result in a fairly consistent rise in money terms of international agricultural prices.

* "The World Commodity Scene and the Common Agricultural Policy." Wye College, £1.25.

Survey of farm investment

A SURVEY to establish how much capital is now being invested in agriculture is being organised by the Country Landowners Association (CLA). The survey involves over 700 landowners in England and Wales, follows reports of financial cutback and retrenchment in farm improvement schemes.

It will cover more than 1m. acres of farmland and all types of landowners including owner-occupiers, financial institutions, public authorities and charities.

Weather problem for U.S. grain

WASHINGTON, May 8.

FOR THE third consecutive year U.S. farmers are facing serious problems in planting because of the weather, according to the U.S. Department of Agriculture, reports Reuter.

The Department's weekly weather and crop bulletin, describing the outlook for the current planting season, said the weather during the next four weeks will be extremely important.

It noted autumn-sown grains are one to two weeks behind normal and soils will be a little cooler than usual for this time of the year.

But soil temperatures in planting zones will warm rapidly with only a few days of warm sunny weather.

The soil moisture situation, it said, appears good to excellent. In most areas except in the western Great Plains, and in parts of the Deep South, moisture is excessive and a period of good drying weather is needed.

Japanese sugar talks ended

TOKYO, May 8.

THE JAPAN Sugar Refiners Association has no plans at present to re-open talks with Cuba on a long-term sugar agreement.

In March a Cuban sugar sales mission held a series of talks with the association here. But it returned home last month without reaching an agreement.

Cuba has proposed a five-year arrangement to supply Japan with 500,000 tonnes of Cuban raws annually starting in 1976, at prices linked to New York market prices.

Cuba also asked Japan to set a minimum price of about £250 a ton for Cuban raws, to protect it against a heavy fall in international market prices. The association said it turned down the Cuban offer because the proposed minimum price scheme was unacceptable.

GRASS NO LONGER A CHEAP CROP

By Our Commodities Staff

Grass could no longer be regarded as a cheap crop to grow and use mainly because of fertiliser costs, claimed Mr. Pat Jones, director of the Ministry of Agriculture's Experimental Husbandry Farm, near Winchester, Hants., yesterday.

However, it was still capable, under the best management, of producing 1,000 gallons of milk an acre without the feeding of concentrates he told a conference at the National Agricultural Centre's dairy unit, Stoneleigh, Warwicks.

COMMON MARKET DAIRY PRODUCTS

The growing threat of a surplus

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

"MILK IS POLITICS" is the title of this year's conference of the Dairy Trade Federation opening in Stratford-on-Avon on Monday, and a very apt one it is too. For the dairy situation in the EEC is in such a crisis of overproduction that any expansion of British production as set out in the Government's recent White Paper looks completely alien to the overall situation.

Because the EEC milk price guarantee is applied to butter rather than to any other milk product, the surplus surfaces in this form, thanks to the operation of the various compensatory payments, it has resulted in an increase in supplies to the British market of 190,000 tons from EEC sources over the past two years—from 126,000 tons in 1973 to 316,000 in 1974. The main contributors have been the Netherlands by 90,000 tons, Denmark by 27,000, West Germany by 35,000 and France by 28,000.

Imports from New Zealand, which had been affected by drought, are slightly above the 1972 level but well below those of previous years. British production though is down from 92,000 to 52,000 tons due to a number of factors including diversion of supplies to the liquid and cheese markets. Other traditional suppliers to the British market have dropped out.

Thanks to the British Government's food subsidies the price of butter has kept down and consumption rose to 475,000 tons in 1974. But the total cost in subsidies both to national governments and to the EEC Farm Fund (FEOGA) is considerable. For instance German butter carries a combination of monetary and transitional compensatory payments of approximately £500 a ton, and supplies from other member countries show payments which approximate to the differences in their respective currency levels. The EEC Budget estimate for milk products for 1975 is 1,526m. units of account, about £750m.

In an attempt to restrict the rise in the intervention price of butter the Community has since January 1, 1973, increased the intervention price of skimmed milk powder, the main by-product from butter, from £225 to £471 per ton. Much of the powder is used for animal feed, mainly for the production of veal, but because the milk powder feed subsidy has risen by much less than the overall intervention price consumption has fallen. There is now a surplus of half a million tons of skimmed milk powder in the Community which could rise to a million by the end of the year. This could certainly be reduced by cutting the price to the equivalent of soya meal, which would mean a subsidy of about £350 a ton.

Subsidies

In Britain, Mr. Healey has announced that some of the consumer food subsidies are to be phased out. A reduction in these, plus the establishment of a Common price level at the end of the transitional period would probably double the retail price of butter in the U.K. by 1978. It's impossible to quantify this figure as it depends on the valuation of sterling in relation to the Unit of Account and other factors, but but the probability is that it would lead to a considerable reduction in demand.

It would be very difficult to find markets other than Britain, if this fall in demand came about, as most world markets are already being aggressively supplied by New Zealand and other former suppliers to Britain at even lower prices. There is therefore likely to be very great pressure by Common Market members to wipe out the agreement for butter imports from New Zealand due to end in 1977

The British dairy industry had been confident that it would be able to take some of the market in butter and cheese formerly filled by overseas suppliers. In preparation for this the trade and the Milk Marketing Board have invested approximately £40m. in increased manufacturing capacity. They are now faced with a situation in which the overall prospect for milk products including cheese is in oversupply in the Community of Nine. Even the monopoly they have for the supply of liquid milk for the British market could, in theory, be threatened by imports from the Community.

These interests have pointed out that as British dairy farmers have a competitive edge over their European neighbours, they should have some of this market. But they have had a dusty answer from both Sir Christopher Soames and Mr. Lardinois, to the effect that a Common Agricultural Policy means just what it says, and that producers themselves should ensure that they do not produce more than the market can absorb

No one can predict the eventual outcome, particularly as consumption of butter seems to be falling in some European countries, while production is on the up-turn in most. Only if the Europeans could be induced to increase their consumption of liquid milk, which at present is half that in Britain, could some stability and freedom from subsidy be achieved

Under-sea mining threat to Third World

GENEVA, May 8.

UNDER-SEA MINING, mainly by large multi-national companies, could jeopardise earnings of developing countries within the next decade, a report by the International Labour Organisation says, reports Reuter.

So far barites and sulphur are the only resources mined from the hard rock beneath the seas and under-sea mining is restricted to the Continental shelves, the report says.

But by 1980 sea-bed mining is expected to lower mineral prices and displace marginal land-based production.

This could have very serious results for developing countries, which produce about 48 per cent. of the world's copper ore, 39 per cent. of its manganese, 92 per cent. of antimony, 95 per cent. of chromite, 84 per cent. of cobalt, 36 per cent. of natural phosphates and nearly all the world's diamonds.

The ILO report, presented to a 22-nation technical meeting on mining, taking place here until May 16, bases its forecasts on indications. Recovery of copper from the ocean would cost less than half the average 30 cents a lb on land, and nickel and cobalt about one-fifth of the land costs.

Should such estimates be borne out by experience, under-sea mining could threaten land mining operations for nickel, manganese, cobalt and copper within the next decade, the ILO says.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Marginally lower on balance on the London Metal Exchange. In a market made quieter by the closure of Continental centres for Ascension Day, prices were initially easier owing to renewed hedge selling which met with little buying interest. Forward metal fell to £561.5 before picking up to £564 [illegible]

[illegible]

Amalgamated Metal Group reported that in the morning cash wirebars traded [illegible]

TIN—Held steady in featureless trading, the market being undermined to some extent by the tightening supply situation [illegible]

Morning: Standard: cash £2,965, [illegible] June £2,990, 88, three months £2,999, 3,000. [illegible]

High Grade untraded. Kerb: unstraded. Afternoon: Standard: three months £3,000, 08, 02. Kerb: Standard: three months £3,002.

LEAD—Influential buying of cash metal held that price steady in the face of heavy offerings of material and widened the backwardation as forward metal gave ground. Turnover: 3,525 tonnes.

[illegible]

ZINC—[illegible]

SILVER

[illegible]

COCOA

Prices closed with small losses after a very quiet day's trading, reports Gill and Duffus.

[illegible]

FREIGHTS

DRY CARGO—[illegible]

COFFEE

Robustas were lower by end-morning after profit-taking and liquidation prompted by the lack of follow through in New York. Later the market steadied and in late dealings futures mostly re- [illegible]

RUBBER

[illegible]

SUGAR

[illegible]

GRAINS

[illegible]

MARK LANE—Business remained slow with generally unchanged prices. Average sellers quotations per long ton for delivery London area: Wheat—Milling May £31.30, June £32.30, Oct.-Dec. £30. Denaturable May £30. Barley—Feed £31.50.

LONDON GRAIN FUTURES MARKET (GAFTA)—[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

[illegible]

... in E. African and Middle Eastern qualities was maintained.

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Jaffa: Shamouti/Valencia Lates 3.50-4.50; Californian: 3.30-4.40; Spanish: Valencia Lates/Vernas 2.70-3.80; Cypriot: 3.50-3.80; Moroccan: 64/75 3.00-3.18, 88 3.00, 100 2.90. Grapefruit—Jaffa: 40 2.45, 48 2.65, 56 2.70, 64 2.75, 75 2.75, 88 2.73; Cypriot: 64 3.20, 56 3.00, 48 2.80, 40 2.60; Florida: [illegible]

VEGETABLE OILS

[illegible]

RECORD MEXICAN SUGAR OUTPUT

WASHINGTON, May 8.

MEXICO'S 1974-75 centrifugal sugar production is estimated at 2.9m. tonnes, according to a USDA despatch from Mexico City, compared with the 1973-74 figure of 2,835,000 tonnes.

Raw production in 1975-76 is also likely to increase to around 3m. tonnes because of a small increase in the harvest area. The report estimates exports of raw sugar in 1974-75 at 600,000 tonnes. Mexico is shipping substantial quantities to Western Europe this year,
Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	May 8 1975	+ or —	Month ago
Metals			
Aluminium (x)	£578.6		£578.6
Free market cif	£276-290	—15	£286-295
Copper			
Cash Wire Bars (x)	£555.5	—2.25	£557.75
3 month do. do. (x)	£564.25	—2.0	£576.25
Cash Cathode (x)	£525.5	—1.75	£548.25
3 months do. (x)	£543.75	—1.75	£565
Gold ...Troy oz.	$166.75	+0.75	$168.5
Lead Cash (x)	£190.25		£197.5
3 months (x)	£184.75	—1.5	£195.625
Nickel (x)	£1,880		£1,898.6
Free market cif (lb)	$1.70-1.8		$1.75-1.8
Platinum (troy oz.)	£87-71.5		£82-89
Free Market	£65½-68½	+0.5	£62½-64½
Quicksilver (76lb)	$165-145		$165-145
Silver Troy oz.	192.8p	+3.0	179.75p
3 months	198.1p	+3.1	185.05p
Tin Cash (x)	£2,969	+4.0	£2,972.5
3 months (x)	£3,005.5	+5.0	£2,994
Wolfram 22.04lb cif	$41.5-3.5		$41-54
Zinc Cash (x)	£322.5	+1.0	£329.5
3 months (x)	£311	+2.0	£327.125
Producers (x)	£380		£380
Oils			
Coconut Malayan	‡		‡
Groundnut			
...	£386		£406
Linseed Crude (x)			
Palm Malayan (x)	£185		
Soyabean (x)			
Seeds			
Copra Philipp ton	$265		$290
Grnuts Nigerian			
Linseed Can. No. 1	£161		£166.25
Grains			
Barley EEC	£49.75		£48.95
Home Futures	£48.9	—0.15	£48.8
Maize			
French No.3 Am.	£51.0		£51.28
S.A. Yellow Flint			‡
Wheat			
No. 1 Red Spring			
No.2 Hard Winter	£63.5		
Australian (f.a.q.)			
English Milling	£51.5		£52.5
Cocoa Shipment (x)	£526	—2.0	£591.0
futures July (x)	£481.75	—4.0	£544.25
Coffee Shipment (c)			
futures July (½ lb)	£400.75	+0.25	£409.25
Cotton 'A' Index	54.85	+0.05	52.3
Jute LJABWC (x)	£224		£244
Rubber ...kilo	36.0p		46.0p
Sisal EASL (x)	£350		£350
Sugar	£186	+5	£255
Wooltops 64s ...kilo	180p	+2.0	180p
Cloves (Madagascar)	£2,350		£2,590
Pepper White ...ton	£840		£825
Black ...ton	£675		£570

* Nominal. † Seller. ‡ Unofficial close. ¶ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." † Unquoted. q Seller's quotation. h January. k Jan.-Feb. u Metric tons r Jan.-March. v February. s Feb.-March f Nov. q May-June. w Nov.-Jan.

INDICES

FINANCIAL TIMES

May 8	May 7	Month ago	Year ago
160.11	159.92	167.38	220.15

(Base: July 1, 1952=100)

REUTER'S

May 8	May 7	Month ago	Year ago
1068.5	1063.9	1089.9	1382.2

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	May 8	May 7	Month ago	Year ago
Spot	277.92	278.35	304.19	354.18
Futures	259.34	257.81	281.20	302.33

(Average 1924-25-26=100)

MOODY'S

Moody's	May 8	May 7	Month ago	Year ago
Spie Commty	731.5	727.9	760.5	715.1

(Dec. 31, 1931=100)

U.S. Markets

Silver and copper edge lower

NEW YORK, May 8.

SILVER declined on trade selling while copper edged lower in featureless trading. Cocoa fell in a lack-lustre session. Sugar finished about unchanged in quiet trading. Local short-covering and rumours of export registration buying helped Chicago grains to close higher, Bache reports.

Gold (troy ounces)—May 166.50 (165.30), June 167.30 (166.10), July 168.30, Aug. 169.30, Oct. 171.30, Dec. 173.50, Feb. 175.70, April 177.90, June 180.10, Aug. 182.30 settlements. Total sales: 377 lots of 100 ounces.

Cocoa—Ghana spot 59½ (60). Bahia spot 52½ (53½). May 50.90 (51.00), July 46.00 (46.50), Sept. 45.42, Dec. 46.42, March 46.55 nom., May 47.00 nom., July 47.45 nom., Sept. nil. Sales: 834 (resumated).

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: May 51.00 asked (48.25-49.00), July 51.40-51.45 (50.50-52.50), Sept. 52.85-52.99, Nov. 52.80-53.40, Dec. 53.60, March 54.20, May 54.45 bid. Estimated sales: 268 lots.

Copper—May 54.70 (55.10), June 55.00 (55.40), July 55.50, Sept. 56.60 settlements. Sales: 726 lots.

Cotton—July 46.21-46.22 (46.30-46.40), Oct. 47.55-47.60 (47.60), Dec. 48.30-48.35, March 49.35, May 50.00, July 50.70, Oct. 50.85-51.00 settlements. Estimated sales: 1,450.

Greasewool—Spot 132.0 nom. (131.0 nom.). May 133.0 (130.0-137.0), July 136.0-141.0 (134.0-140.0), Oct. 137.0-143.0, Dec. 141.0-148.0, March 141.0-148.0, May 142.0-149.0, July 142.0-150.0, Oct. 142.0 bid.

†Lard—Chicago loose 25 asked (26 asked). NY drummed 31 nom. (32 nom.).

††Maize—May 274-274½ (269-269½), July 271-271¼ (268-268½), Sept. 259½, Dec. 245-245½, March 249½-249¼, May 252½.

‡Platinum—July 150.40 (149.20), Oct. 153.30 (152.20), Jan. 156.60, April 159.30, July 162.60, Oct. 165.20-166.0 settlements. Sales: 179 lots.

†Silver—Spot 447.50 (450.00). May 451.00 (453.00), June 453.00 (453.00), July 456.00, Sept. 462.20, Dec. 471.40, Jan. 474.20, March 480.20, May 486.20, July 492.10, Sept. 496.00 settlements. Sales: 4,450 lots.

*Soyabeans—May 514 (512-513), July 502-504 (499½), Aug. 497, Sept. 491-490, Nov. 491-493, Jan. 497, March 504, May 510, July 516.

bSoyabean Meal—May 118.00 (117.20), July 119.50 (118.20-118.50), Aug. 121.00-121.50, Sept. 122.50-129.0, Oct. 123.50, Dec. 125.50, Jan. 127.00-128.00, March 130.00-131.00.

Soyabean Oil—May 22.25 (22.75), July 21.55-21.60 (21.95), Aug. 21.15, Sept. 20.75, Oct. 20.40, Dec. 19.85-19.90, Jan. 19.35-19.40, March 18.95-19.00, May 18.50, July 18.25.

Sugar—Spot 18.00 (18.25). July 18.10-18.05 (17.85-18.20), Sept. 17.50-17.45 (17.55), Oct. 17.40-17.35, Jan. 16.65 nom., March 16.60-16.65, May 16.30 asked, July 15.83 nom., Sept. 15.60, Oct. 15.25-15.30. Estimated sales: 2,408.

Tin—344.00-345.00 nom. (344.00 nom.).

**Wheat—May 319¼ (317-318), July 314-314¼ (312-313), Sept. 318½, Dec. 327-328, March 335.

WINNIPEG, May 8. ††Rye—May unquoted (219), July 219½ bid (220 asked), Oct. 212½ bid, Dec. 208½.

cOats—May 166½ (167½ bid), July 161½ asked (same), Oct. 160½, Dec. 160 nom.

‡Barley—May 237½ bid (237½), July 225½ (same), Oct. 220, Dec. 219 nom.

dFlaxseed—May 820 bid (same), July 820 bid (817), Oct. 805 bid, Nov. 793 asked, Dec. 778 asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 495½ (495½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. †Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. NY. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 34-lb bushel. ‡ Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

The Property Market

BY JOHN TRAFFORD

Competition and the fall in London rents

COMPETITION for tenants for central London offices is hotting up. Not only have rent levels, both asked and achieved, fallen quite sharply but there are signs that the agents are willing publicly to make comparisons if they think it will help move some space.

Yesterday Jones Lang Wootton and Donaldsons announced the completion of London Life Association's 93.370 square feet office block in Clements Inn. WC2. just north of the Aldwych and next to the Law Courts.

Asking rents for this air-conditioned. high specification building are under £11 a square foot. "With the new Arundel Great Court development almost opposite in the Strand. some lively competition is expected for both buildings." say the agents.

Some modern space in a nearby area is going even more cheaply. Hillier Parker May and Rowden with Anthony Lipton are offering Town and City's 37.500 square foot development Lion House. Red Lion Street. W.C.1. at an exclusive rental of £9.45 a square foot. This building, too, is finished to a high specification and fully air-conditioned.

The decline in rent levels is well illustrated by a deal completed a week ago for space in Baker Street. Acting on behalf of Accurist Watches, Druce and Co. have let a 6,000 square foot half-floor at Accurist House, Baker Street. to Davy Power Gas for whom Brecker Grossmith acted, at an exclusive rent of just under £10 a square foot. The interest in this small deal really lies in the fact that the space had been on the market for 18 months at asking rents initially as high as £15 a square foot. When the client engaged Druce and agreed to the lower asking rent. three applicants at once presented themselves.

For anyone with short memories, the recent sale by Goldstein Leigh Associates of a 3.800 square foot long leasehold at 24. Old Burlington Street, W.1. on behalf of Town and District Properties (a member of the British Anzani Group) serves as a useful check. The head leasehold has been bought by British Airports Authority Pension Fund. who were advised by Berkeley Hambro. for an undisclosed sum. The interesting point to note is that the property comprising office and residential accommodation was let to Royal Worcester two years ago at £15.80 a square foot exclusive.

Some indication of current levels for mixed office and residential accommodation comes from the £8 a square foot being asked by Pilcher Hershman on behalf of Corob Inter-City Properties for 5.000 square feet of refurbished space at 40. Hertford Street. W.1.

For office accommodation in Mayfair. a recent example is the £10.80 a square foot being asked for 9,855 square feet of refurbished prestige offices at 3. Cavendish Square. Richard Ellis are acting on behalf of a major pension fund.

Healey and Baker are asking £8.90 a square foot a year for a ten-year lease with one review on 6,575 square feet of prestige office space at 22, Conduit Street, also in Mayfair.

Rent levels of around £11 a square foot appear to be the going rate for prime offices in SW1. Sinclair Goldsmith and Teacher, Marks have sold the lease on 10.000 square feet of offices in Hyde Park House, Knightsbridge, to an American oil company for a six figure premium representing approximately £11 a square foot.

Meanwhile Healey and Baker and Jones Lang Wootton are asking £11 a square foot for the 10,000-square-foot office building at 60 Pall Mall. SW1. the former headquarters of Cedar Holdings.

Yields on the way down

ANDREW HUNTLEY of Richard Ellis thinks that prime office yields have moved from 8 to 7 per cent. since the beginning of the year and will probably decline further. The increase in volume of institutional money chasing property is illustrated by the fact that Ellis has currently £22-25m. to invest on behalf of clients compared with £15m. at the end of March. For the market as a whole. Huntley estimates that there is an extra £100m. of U.K. funds available for investment now compared with a month ago and that investment (excluding the Arabs) is running at around £1,500-£1,750m. a year.

Some of the investment interest is coming from industrial pension funds, new to property investment. A year ago Richard Ellis had 12 fully retained funds as clients; now it has 20. But even the old stalwarts are showing increased interest.

With a limited supply of prime, rack rented property, Huntley sees funds shaking off their conservatism and moving to a limited extent into other fields — development funding, reversionary interests, fringe shops, hotels, garages, leisure facilities.

The paradox is that the investment interest is not based on an expectation of the most fundamental consideration of all — rental growth: quite the reverse in fact. In London and some London suburbs such as Richmond, Huntley expects rents to stagnate or decline.

The motivation for much of the investment lies in the fear of inflation and, to a lesser extent, in the decline in interest rates which has made property a little more attractive from the point of view of yield.

Richard Ellis are clearly worried that fund managers will get carried away and reiterate their present signature tune, which is "Caution."

The firm estimate that £300m.-£400m. of Arab money was invested in U.K. property last year. Only two big deals—the Commercial Union building and St. Martin's Property—were publicised but other major acquisitions have been taking place. To-day there are some prime City offices which, without the knowledge of the outside world or even most of the occupants, are owned by the Arabs.

The ailing pound has, however, put a damper on that source of investment finance.

More space in the City

THE SHARP increase in the availability of City office space shows no signs of abating, according to the May City Floorspace Survey just published by Richard Saunders and Partners.

The latest figures show a total availability (for London EC. WC, SE1 and E1 postal districts) of 3.363,000 square feet which represents an increase of nearly 200,000 square feet over the month before. The amount of accommodation let during April was 214,000. only a little over half the 390.000 square feet achieved during March.

There is always a vocal lobby wishing to pour scorn on the significance of the Richard Saunders figures but what cannot easily be denied is the trend —and anyone who doubts it need only compare rent levels currently being achieved in the City with the levels prevailing a year ago.

The office availability figures only really began to spurt last June but since then the trend has been forever upwards despite a much higher rate of monthly lettings. If one compares the availability figure for May, 1974. with that just issued for May, 1975. the increase is no less than fourfold.

The jump is not just a question of development activity. When the rental market was strong there was a natural tendency for developers to hold back new or refurbished space until the last possible moment, in the (reasonable) belief that rents would have risen. All is different now and those with space scheduled for completion in the next 18 months tend already to be actively looking around for tenants. Hence the apparent availability shoots up.

Of course, new office developments in the City have now ground to a halt and one must expect the availability figures to start dropping quite dramatically in a few months time provided demand is not killed off by an economic catastrophe. Some commentators are sceptical that the imbalance between demand and supply is going to right itself, witness Richard Ellis' prediction last week that City rents would not pick up during the coming 12 months.

One trend that does want careful watching is the growing interest in smaller units. With City rates rising by 60 per cent. it is not surprising that managers are taking a very close look before accepting the need for large offices in the City. Richard Saunders has just started to look at the aspect of the lettings market. While it is far too early to jump to any conclusions, it is interesting to note that the April survey showed 83 out of 101 lettings were for space under 5,000 square feet (82 per cent.) while the May survey showed 57 out of a total of 70 (also 82 per cent.).

Commenting on its latest survey, the agents point out that over 100,000 square feet of last month's rise in availablity was for areas outside the EC postal districts "where there may now be evidence of a slight slowing down of the increase in floor space."

Schizophrenic rents

CYRIL LEONARD and Company detect what they call "schizophrenic rents" in the West End at present. When analysing rents recently agreed between landlords and tenants at reviews and lease renewals, the agents have recorded reductions as great as 50 per cent. over the past 18 months.

A recent rent review in Mayfair of a 5,000-square-foot office valued at £14.50 a square foot 18 months ago has just been agreed at £7.25 a square foot.

There is always a slight difference between a sitting-tenant rent and a new tenant rent but say the agents the gap appears far larger at present. They suggest three reasons: (1) Tenants cannot afford to remain at the premises at previously agreed rent levels: (2) landlords are worried about a void if the tenant quits; (3) The sharp rise in rates has depressed rents.

If the present availability of office space does not decline rapidly, the agents think that rents for vacant accommodation will come down to those now being achieved on rent review and lease renewal.

Fine Fare is developing

FINE FARE as a supermarket chain has at least two things going for it. One is that it is part of Garfield Weston's Associated British Foods group and so better able than some rivals to obtain finance for worthwhile developments. The other is that Wallace Monaghan, the soft-spoken but tough Fine Fare chairman, has a very clear idea of what he wants to achieve.

In Monaghan's view there are two workable sizes for a Fine Fare store. One is in the 20-25,000-square-foot net sales bracket. In these stores you can carry out a viable food retailing operation on any basis —discount, standard or upmarket—that suits local conditions.

The other is 40-70,000-square-foot range. In these stores Monaghan believes the company can carry on effective big store retailing with non-foods in stores of more than 60,000 square feet.

Armed with this philosophy and with the knowledge that Tesco has managed to steal a march on it in its recent stores development programme, Fine Fare is maintaining or even increasing its tempo of store openings. Its capital budget for new store development was £7m. in 1973-74. It rose to £8m. last year and in the current financial year it is £9.5m.

The six superstores that will be opened up this year well demonstrate Monaghan's store size preferences. In gross square footage they are: Hyde (Manchester) 100,000; Peterlee 68,000; Dunfermline 52,000; Denniston (Glasgow) 46,000; Paisley 33,000 and Ammanford 18,000.

Next in the pipeline will be superstores in Welwyn Garden City (32,000 square feet); Winsford (75,000); Clydebank (60,000); Chatham (60,000) and five others. The first three have already received detailed planning permission while at Chatham outline planning permission has been obtained.

In the company's view the siting of superstores—in town centre developments, edge of town, district shopping centre, out of town—must vary according to local conditions.

OUT AND ABOUT

● A subsidiary of Fitch Lovell has bought part of Westminster and County Property's warehouse estate at Sunbury on Thames for £1.6m. The property comprises 153,000 square feet of modern single storey warehousing standing on a seven-acre site. The price equates to approximately 16 years' purchase and, says D. and J. Levy who acted for the vendors, this takes "very full account" of a rent review due December, 1977.

● Bass Charrington have sold for more than £200,000 the freehold interest in The Bull Public House, 23, Broad Street, Reading, to a pension fund for whom Healey and Baker acted.

The property occupies a prominent corner location three doors from Marks and Spencer and has a ground floor sales area of about 1,000 square feet. Reading Corporation has given permission for a change of use to retail purposes. Since the purchase the property has been let to Ratners the jewellers at a rent representing a yield of 7.6 per cent. on investment.

INDUSTRIAL & BUSINESS PROPERTY

مكتبة الأصل

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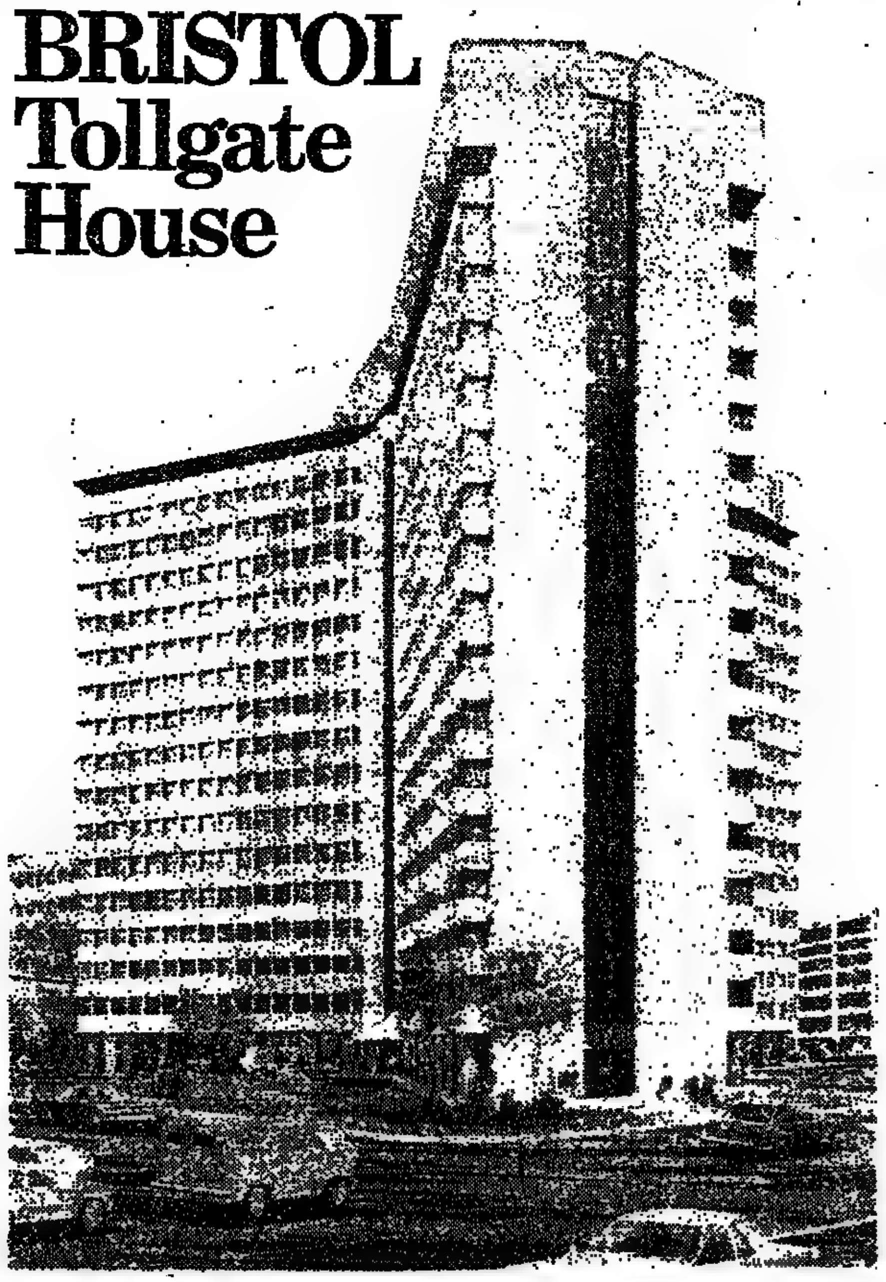

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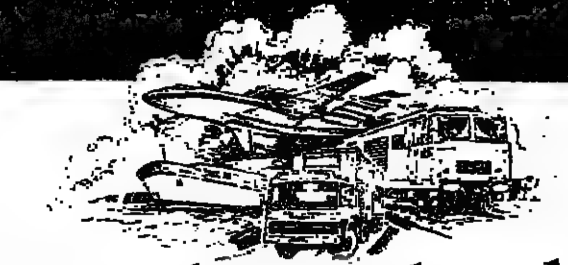

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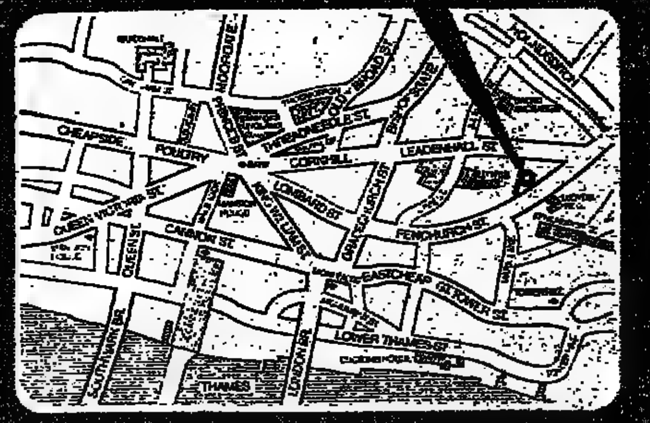

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Entire air conditioned building having lift, suspended ceilings with integrated light fittings, fitted carpets. Car parking. To let.

BERNARD THORPE & PARTNERS
1 Buckingham Palace Road London SW1W 0QD
Tel: 01-834 6890.

Bishop's House
Bishopsgate EC2

Air conditioned offices to let
27,000 sq. ft.
Individual floor lettings considered
Available June 1975
Joint sole letting agents

Strutt and Parker
13 Hill Street,
London W1X 8DL
Tel: 01-629 7282

St Quintin Son & Stanley
Chartered Surveyors
Vintry House, Queen Street Place
London EC4R 1ES. Tel. 01-236 ...

VICTORIA HOUSE STOCKWELL

(Adjacent Stockwell Underground: Victoria and Northern Lines)
has been restored and extended to provide a self-contained office building of some 7000 sq. ft. with car parking and telephones and is now to let on long lease.

Joint Sole Letting Agents

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Telephone: 01-236 4606

hbp Howell Brooks + Partners
50 Fleet Street, London, EC4Y 1NJ
Telephone: 01-353 0102

Wembley

Excellent Single Storey Factory
approx **22,900** sq.ft.
Loading Bays Car Parking Heating, Lighting etc.
Immediate Occupation
apply sole agents

PEPPER ANGLISS & YARWOOD
Chartered Surveyors
6 Carlos Place London W1Y 6LL Telephone 01-499 6066

BANBURY

NEW WAREHOUSE
SQ. 40,000 FT.
TO BE LET
Good road communications for distribution throughout country
Early Possession
Joint Sole Agents:

A.C. Frost & Co
3, High Street, Windsor, Berks.
Tel: Windsor 54555

LAMBORNE & FOREMAN
3, Cork Street, London W.1.
Tel: 01-437 1722

Modernised Offices To Let
Fenchurch Street EC3

1,800 sq.ft.—6,500 sq.ft.
Under £9.00 per sq.ft.
Joint Sole Agents

ROBERT CUTTS & Co CHARTERED SURVEYORS
64 Cannon Street,
London EC4N 6AD
Tel. 01-236 4606

Richard Ellis
64 Cornhill,
London EC3 3PS
Tel. 01-283 3090

WILMSLOW

Cheshire
2,600 Sq. Ft.
TO LET
Unlimited Car Parking
Immediate Possession

Goddard & Smith
22 King Street, St. James's,
London SW1Y 6QZ. 01-930 7321

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W.C.1
2 OFFICE BUILDINGS
LEASES FOR SALE
TOTAL 13,000 sq. ft.
Sole Agents:

JOHN D. WOOD
23, Berkeley Square, London W1X 6AL
(Ref. ADG)
01-629 9050. Telex: 24242.

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ELEVATED RESIDENTIAL SITE
FOR
SIX SUPERIOR DETACHED HOUSES
(Constructional work commenced)
FOR SALE BY TENDER
(Closing Date: 10th JUNE, 1975)

W. H. ROBINSON & CO.
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061-228 6411

LONDON N.W.10

Modern Factory
23,000 sq. ft.
only ***44p*** *per sq. ft.*
NOMINAL PREMIUM

SOLE AGENTS Chamberlain & Willows
Chartered Surveyors & Estate Agents
1 SOUTH AUDLEY ST. LONDON W1Y 6JS 01-491 7880

CASH & CARRY OPERATORS
TO LET

New Single-Storey Warehouse
SQ. 25,000 FT.
TO BE BUILT
Canning Town, EAST LONDON E.16

PILCHER HERSHMAN & PARTNERS
01-629 0771

SOUTHWARK S.E.1

CLOSE TO LONDON BRIDGE STATION
19,000 sq. ft.
SUPERB WAREHOUSE BUILDING WITH OFFICES
TO LET OR FOR SALE

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8 Cork Street, London W.1. 01-439 0531

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CLOSE SOUTHAMPTON, PORTSMOUTH & WINCHESTER
FREEHOLD GEORGIAN OFFICE BUILDING

- 6,300 SQ. FT.
- 1½ ACRES
- EXCELLENT PARKING
- CARETAKER'S FLAT

OFFERS INVITED

FOX & SONS
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SOUTHAMPTON
0703 25155

MORDEN, SURREY

TO LET—OFFICES
1st and 2nd Floors in modern building
20,000 sq. ft. (would divide)
NO PREMIUM
Unusually low rent (£3.00 p.s.f.)

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(Corner of Down Street)
ENTIRE OFFICE BUILDING
TO LET
Approximately 11,000 sq. ft. plus basement storage

SOLE AGENTS:
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AIR CONDITIONED OFFICES
sq. 23,000 ft.
on two floors only
OPPOSITE MAIN LINE STATION
£9 per sq. ft.
no premium long lease
Apply sole agents:—

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OFFICES OF CHARACTER

2,200 Sq. Ft. approx.
BRENTFORD, MIDDLESEX
Situated in much-converted Georgian house, adjacent to the ... with central heating, parking and excellent natural light.
Rent £10,000 p.a.x. on 20 year lease
Apply

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COMMERCIAL AND INDUSTRIAL DEPT.
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Tel: 01-748 7877 or 5872

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FACTORIES/WAREHOUSES
4,500 5,500 9,000
3 Units totalling 19,000 sq. ft. immediately available.
TO LET
Apply

JOHN GRAHAM & CO.
Amersham (02403) 22157

HAMNETT RAFFETY
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Pritchard
By the Direction of Raleigh Industries Limited
BRISTOL Brislington Trading Estate
Valuable Modern Leasehold Warehouse Property
Warehouse 13,085 sq.ft. Offices 2,445 sq.ft.
Concrete Hardstanding and Land for expansion (Subject to planning consent).
Price £155,000
Chartered Surveyors. Est. 1765
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Tel: (0272) 25501

هكذا من الأصل

Victoria SW1

Immediate Occupation
Entire Building

5,270 sq.ft.

Offices & Residential

To Let or Long Lease For Sale

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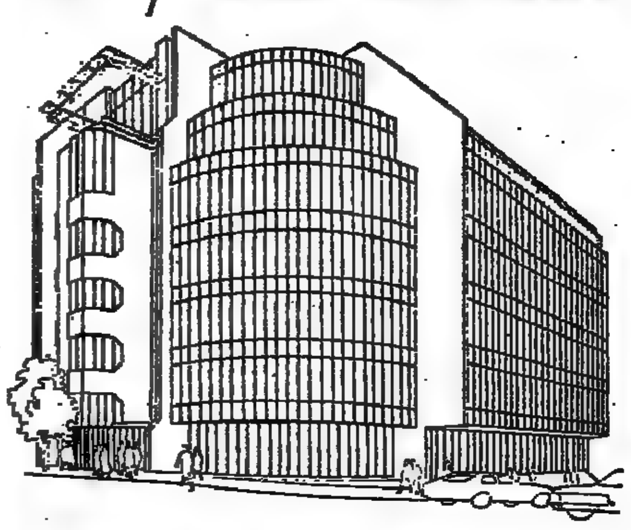
Tel: 01-493 6040.
Telex: 23858.
Ref: DWM

52/56 Minories, EC3



New self-contained air-conditioned office building

14,200 sq ft net

To Let

Car parking

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Telex: 885557
Ref: JMD

The Netherlands
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FOR SALE

Modern factory 54,500 sq. ft. (5,063 m²) with offices 4,660 sq. ft. (433m²) on a large site of 3.21 acres (1.30 hectares).

To be sold with all plant and the benefit of existing personnel skilled in sheet metal and welding fabrication suitable for any industry in chemical, petroleum, gas or allied trades.

Brochure and further details from

Tilling Management Services Ltd.
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Telephone: 01-499 4151 Telex: 28798

INDUSTRIAL AND BUSINESS PROPERTY APPEARS EVERY FRIDAY
RATE £7.75 PER SINGLE COLUMN CENTIMETRE

WC1

Ground Floor
3,480 sq. ft. approx.
Refurbished Offices
To Let at reasonable rent

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Tel: 01-606 4060
Telex: 885557
Ref: ERW

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TO LET 65,670 sq.ft. of superb office accommodation with additional **7,000** sq.ft. of Showroom/Shop space in the centre of Swindon. Occupation June 1975. No ODP required.
Air conditioned throughout.
3 passenger lifts. Basement car park 40 spaces.

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Tel: 01-493 6040. Telex: 23858.

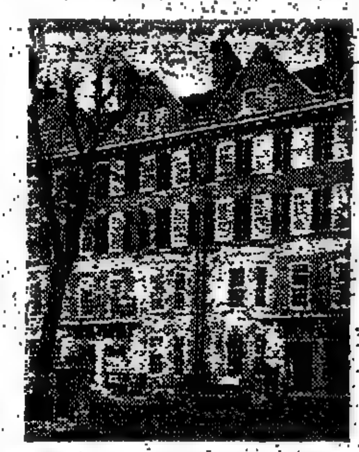
LOVEDAY & LOVEDAY
16 High Street, Swindon, Wilts, SN1 3EP
Tel: 29121 (STD 0793).

An ASPEN Development in association with Welfare Insurance Co. Ltd.

Modern Single Storey
WAREHOUSE PREMISES
25,200 sq. ft.
BARKING, ESSEX
TO LET

LEOPOLD FARMER & SONS
15 John Street, London, WC1N 2EB
01-404 5871

Lygon Place, Grosvenor Gardens, S.W.1



Attractive refurbished office property
Approx. 9,000 sq. ft.
Lift, central heating
TO LET

Knight Frank & Rutley
20 Hanover Square, London W1R 0AH
Tel: 01-629 8171 Telex: 265384

CHERTSEY, SURREY.

Two adjoining Modern Factories
Approx. 10,250 Sq. Ft. and 12,400 Sq. Ft.
TO LET

Bell-Ingram CHARTERED SURVEYORS
34, St. James's Street, London SW1.
01-839 7451

3,176 sq.ft.

Self-contained Office Building
Very near Bank of England
To Be Let

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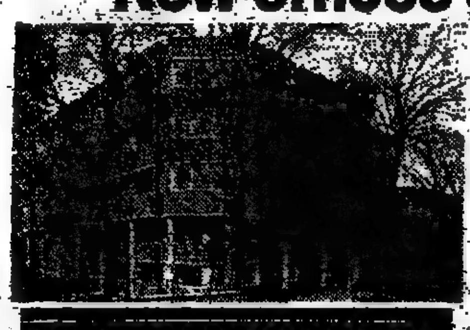
33 King Street, London EC2V 8EE
Tel: 01-606 4060 Telex: 885557

Knight Frank & Rutley
7 Birchin Lane, London EC3V 9BY
Tel: 01-283 0041 Telex: 265384

£2·88 per sq.ft.
New offices at Gloucester



Heathville House, Gloucester is a superb newly completed office building of 38,200 sq.ft which has all modern amenities and provides an immediate opportunity to secure the advantages of office decentralisation.

BRUTON KNOWLES & Co.
Albion Chambers, 55 Barton Street Gloucester
Telephone 0452-21267

Anthony Lipton & Co
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Telephone 01-491 2700

BECKENHAM
(NR. CROYDON)

OFFICES TO LET
Ground Floor in modern block
4,116 sq. ft. In Prestige Position.
Drastically Reduced Rent (£4.00 p.s.f.) No Premium

McGlashan & Co
Deason & Lester
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Tel. 01-902 3017.

BIRMINGHAM
EXTENSIVE SHOP PREMISES TO LET
61 NEW STREET

Frontage—32 ft. overall
G. Floor—2,560 sq. ft.
1st Floor—5,470 sq. ft.
£16,000 p.a. New Lease.

CHESSHIRE, GIBSON & CO.
63 Temple Row, Birmingham B2 5LY. 021-643 9351.

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Unique Opportunity in ZURICH

In the very heart of the international financial centre, Zurich/Switzerland (near the Bahnhofstrasse), fully air-conditioned SHOP, OFFICE and EXHIBITION SPACE can now be rented. If required, a delightful roof-terrace —ideal for exhibitions, for example— will also be let. Please address your enquiries immediately to:

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Nüschelerstr. 44
CH-8001 Zürich
Tel. 00411/270750

Bloomsbury Square WC1

A self contained office building situated close to Holborn Underground Station and with ample parking nearby now available for immediate occupation.

* Prestigious Accommodation.
* Automatic Lift.
* Full Air Conditioning.
* Tasteful Decoration.
* Luxury Toilet Facilities.
* Executive Flat.
* Local Rates at approx. 50% of equiv. City Rates.

TO LET at only £9.50 per sq. ft.

Sole Agents:
Richard Saunders & Partners
43-45 Eastcheap EC3M 1JE ☎ 01-626 9081

WHITGIFT CENTRE CROYDON

PRIME RETAIL UNIT
FRONTAGE 60 FT. DEPTH 50 FT.
LEASE FOR SALE

Stiles Horton Ledger
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GOOD SHOWROOMS, WAREHOUSE AND OFFICES

Nr. Piccadilly Circus and Regent Street
8,700 SQ FT. @ £27,500
Ground floor, basement and upper floor
No premium. Good access. Two lifts
Phone Mr. TOWNEND 580 4223.
Firth & Marshall Ltd., 34 Mortimer St., W.1.

FOR INVESTMENT

TWICKENHAM

Single Storey Factory
4,728 SQ. FT.
Let at £3,550 with RR in 1977.
Estimated yield 13%
FREEHOLD £52,500

Sale Agents:
MILLS & WOOD,
Guild House,
Upper Saint Martin's Lane,
WC2H 9EJ. 01-836 3841

£2,500 PER YEAR NET INCOME FROM THIS EXCELLENT SHOP-INVESTMENT in Great Western Road, Glasgow
Strong Private Company with 285 branches.
Price Freehold £22,700
OWNER: 13, GREEN WALK LONDON NW4 2AL

£4,500 PARTNERSHIP SHARE AVAILABLE
in the Freehold Interest in a thriving block of Modern Shops in a monopoly central position in a large and expanding village. Rent review due 1st July, 1978. Full details from Brown and Merry, 28, Temple Street, Aylesbury. Tel. 4786.

FREEHOLD OFFICE INVESTMENT
ABERDEEN CITY CENTRE

New s/c office building (1,100 sq. ft.) let to large Norwegian public company at £3,750 p.a. ex.; F.R.I lease for sale £40,000. *Apply:—*

KEYDON ESTATES,
9 Three Kings Yard, W1Y 1FL.
01-499 2061

F. G. BURNETT,
11 Rubislaw Terrace, Aberdeen.
572661

RAMSEY, ISLE OF MAN

Industrial Properties in Town Centre for Redevelopment. Present income approx. £2,000 per annum with early reversion. Quick sale at £27,500 freehold. Genuine enquiries please. *Details, write Box T.4097, Financial Times, 10, Cannon Street, EC4P 4BY.*

Investment Property For Sale

In final stages complete renovation busy market town East Hereford. Vacant possession of whole: 2 large shops. 1 suite of 5 offices. Prestige main road entrance. 1 self-contained c/h flat and garage. Town centre. All as new. Bargain. Freehold, £75,000. *Write Box T.4093, Financial Times, 10, Cannon Street, EC4P 4BY.*

SOUND, Secure Freehold Shop Investment, Oxfordshire. Built 1968. 2 tenants including Public Co. Supermarket Operator. Producing £5,650 p.a. net. Offers invited on £47,500. Phone Mendoza, 01-836 8341.

SOUTHAMPTON. Showroom/Office Investment excellent location for future growth. Producing £5,250 per annum. FRI Lease. £59,750 Freehold or offer. L. S. Vail & Son, 18 High Street, Fareham. Tel. 032 93 85041.

UXBRIDGE RD., W5. shop & upper part let at £2,500 p.a. with 3-yearly reviews. Price £25,000. Goldenberg & Co., 205 Regent St., W1. 01-734 9342.

On Behalf of HBM Government

LAHORE—PAKISTAN

FOR SALE

The FORMER BRITISH CONSULATE-GENERAL RESIDENCE AND OFFICES

TOGETHER WITH OTHER BUILDINGS AND AMENITIES occupying a

FIRST CLASS SITE

of some **30,750** sq. metres

Further information from:

The Administration Officer
British Embassy
Diplomatic Enclave
Ramna 5
PO Box 1122
Islamabad

Property Services Agency
Department of the Environment
Room 418, Block "C"
Whitgift Centre
Croydon, CR9 3LY
Telephone: 01-686 8710 Ext. 4385

DEVELOPMENT FINANCE available for pre-let or part pre-let schemes. Minimum £100,000. No limit.

INSTITUTIONAL FUNDS available for Modern Prime Office Investments in lots of up to £1m. in Home Counties and £5m. in City. Also funds for high yielding modern commercial properties in lots of £150,000/£250,000.

Details in confidence to Principals' retained Chartered Surveyor, Box T.4104, Financial Times, 10, Cannon Street, EC4P 4BY.

BUILDING LAND AND SITES

CORNER SITE PROPERTY
W2 AREA
VACANT POSSESSION
Planning Permission 4 Flats
£30,000
Write Box T.4087, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE
In the centre of the prosperous Nottinghamshire village of Calverton, and adjacent to shopping precinct, a superbly positioned site with Planning Consent for supermarket and three shops.
Applications in the first instance to:
CEDRIC FORD & HOLLAND,
1 Mansfield Road, Nottingham.
Tel: (0602) 46717/8.

BUILDING LAND in all part Peterhead for sale, lease or participation, for industrial, commercial and residential use. Tel. 031-381 1587.

BUILDING LAND Devon/Cornwall border. 4½ acres. Indust. Plann. Red. to £35,000 o.n.o. Main road plot: Worthing. Sc. Plann. Shops plus 6-8 flats. Drastic red. £32,000. Parkers, 77, West Street, Tavistock 4444.

CHALET SITE Cornwall, undeveloped. 6½ acres. Planning consent 36 chalets, 14 touring pitches, wardens office. £45,000 o.n.o. or Lease by arrangement. Particulars James c/o 38, Sudley Road, Bognor Regis.

APPOINTMENTS

Advance Laundries executive posts

Mr. A. P. M. Dear, who has been a full-time executive director of ADVANCE LAUNDRIES since 1968, has been appointed deputy managing director of the company and has also been appointed deputy managing director of Advance Linen Services.

★

Mr. David McEwen has been appointed a director of HIGHLAND INVESTMENT COMPANY and Highland Investment Company (Worth).

★

Air Marshal Sir Charles Pringle, Controller of Engineering and Supply (RAF) since November 1973, has been elected president of the ROYAL AERONAUTICAL SOCIETY for 1975-76. He is the first serving officer to be so elected and takes over his new responsibility on May 15, succeeding Mr. Barry Laight.

★

Mr. M. G. Ballard has been appointed managing director of MILLER CONSTRUCTION NORTHERN, a subsidiary of James Miller and Partners.

★

Mr. J. A. Westcott is relinquishing his directorships of the operational companies within the AIRCLAIMS GROUP from June 16 to return to underwriting, and to take up an appointment with the AVIATION AND GENERAL INSURANCE COMPANY.

★

Christopher Moran Holdings has formed a subsidiary called CHRISTOPHER MORAN (LPM BROKERS) and the first directors are Mr. J. F. C. Dugdale, chairman; Mr. C. J. Moran and Mr. R. E. Osborn, joint managing; Mr. D. J. P. Bryans; Mr. D. E. Harman and Mr. J. Redgrove.

★

Mr. A. S. Robertson, chief executive of the Northumbrian Water Authority, has been elected to the Northern Advisory Board of the BRITISH INSTITUTE OF MANAGEMENT.

★

Mr. Robert R. Thom has been appointed a director of A. C. ISRAEL WOODHOUSE COMPANY, a subsidiary of ACLI International.

★

Mr. Graham Bridgen, until recently deputy director (administration) of Barnsley Area, is to be director-general of audit of the NATIONAL COAL BOARD.

★

Mr. James Lang has been nominated president of the INSTITUTION OF PUBLIC HEALTH ENGINEERS for 1975-76.

★

Mr. Terry McRae has become managing director and vice chairman of SCOTTISH MEAT PRODUCERS.

★

Sir Frederick Catherwood has been appointed chairman of WITTENBORG AUTOMAT, a member company of Wittenborg-Automat Fabriker A/S, Odense, Denmark. He succeeds Mr. Poul Wittenborg, who continues as a director.

★

Mr. Brian Street has been elected deputy managing director of AIR PRODUCTS.

★

Mr. S. V. Mercer has been elected president of the FEDERATION OF MASTER BUILDERS.

★

Mr. Percy Shephard has retired from the Board of BSR after 43 years with the Company.

★

Mr. R. D. D. Orr has become a partner in VIVIAN GRAY AND CO., stockbrokers. Mr. C. W. Hickman is retiring from the partnership to-morrow and Mr. D. R. S. Anderson is being admitted to partnership from that date. Mr. C. W. Dallmeyer and Mr. J. R. S. Skinner are to be partners in the firm from May 17.

★

Mr. J. E. Owen is to resign as a director of the WELFARE INSURANCE COMPANY from June 1. Mr. A. E. Phillips has, at his own request, relinquished his appointment as managing director but will remain on the Board as a non-executive director with advisory responsibilities for marketing. Mr. H. L. K. Browne has been appointed deputy chairman and Mr. D. H. Baker has been made general manager.

★

Mr. V. R. Moll, deputy chairman of the South of England Building Society, has been appointed president of the BUILDING SOCIETIES INSTITUTE for 1975-76. Mr. E. W. Argent and Mr. S. H. Burton have been appointed deupty presidents. Mr. K. Barnes has become chairman of the finance committee.

★

Mr. B. Anthony Watson has been appointed managing director of E. F. HUTTON AND COMPANY (LONDON). Mr. Mark Culme-Seymour has been elected a director and Mr. James E. Sweeney has been made secretary. Mr. J. L. d'E Darby and Mr. A. K. Guthrie have resigned from the Board.

HOME CONTRACTS

Balfour Beatty wins £3m. Tyne road work

BALFOUR BEATTY AND CO., part of the BICC group, has been awarded a £3m. contract by Tyne and Wear County Council for construction of the A695 improvement—Blaydon, Tyne and Wear. The works involve the construction of about a mile of dual carriageway, of which 400 yards will be a viaduct spanning two roads and railway line. Included in the order is a nine-span industrial access overbridge linking two industrial estates, one on each side of the new dual carriageway.

ALEXANDER HALL AND SON (BUILDERS), part of Aberdeen Construction Group, has won a contract worth £960,658 from Moray and Nairn County Council for the erection of 107 houses at Lhanbryde. J. T. L. Parkinson, another member of the group, is to carry out the electrical work.

A project to provide a new transit shed at Cardiff's Queen Alexandra Dock has been put in hand by the British Transport Docks Board, which has awarded contracts worth more than £200,000 to GEO. WIMPEY & CO., the main contractors, WARD BROTHERS for steelwork and cladding, and WEST'S PILING AND CONSTRUCTION CO. for piling. Work has already started and it is expected that the shed will be operational by September.

★

PYE UNICAM, Cambridge, has received an order worth more than £250,000 from the British Steel Corporation to supply an analytical system for a new control laboratory at its Ravenscraig plant, near Motherwell. BSC plans to increase the plant's steelmaking capacity from 1.5m. tonnes to 3.2m. tonnes, and the laboratory will produce high speed analyses at various stages of production.

★

HONEYWELL INFORMATION SYSTEMS has won an order from Glasgow Corporation cleansing department for a 61/60 computer worth £53,000. This will be equipped initially with six visual display terminals, some in the department's main Polmadie works, to give a direct link with the computer for inventory control purposes. Other plants at Govan, Dawsholm and Easter Queenslie, will in due course also be linked to the computer.

★

KEELAVITE HYDRAULICS, Coventry, has been awarded a contract worth £50,000 for a new offshore structure test facility at the National Engineering Laboratory, East Kilbride. The equipment will be used for fatigue test programmes on idealised tubular welded joints representative of those found in steel offshore platforms. In addition to the servo actuators, Keelavite is supplying the electronic control system, including function generation and servo control.

Income limit 'would hit solicitors' standards'

By Peter Foster

A WARNING THAT standards of legal service would be lowered if statutory limits were put on solicitors' personal incomes is given by the Law Society in its memorandum to the Royal Commission on the Distribution of Income and Wealth.

The memorandum says that to add limitations on overall personal income to the existing statutory controls at the point of charge would be "quite unnecessary and would represent the second arm of an economic nutcracker with the profession cast in the role of the nut."

"It is upon the legal profession in the last analysis that the citizen must depend for protection against private and public injustice," the memorandum adds.

"Any proposals to redistribute wealth by imposing limitations on permitted overall earnings would, if applied to the legal profession, lead in the long term to a lowering of the standards of legal service available to the Community because of the removal of the economic incentives to maintenance and the improvement of these standards."

The memorandum criticises the absence of a definition of "fairness" in the commission's terms of reference and casts doubts on its ability to analyse all the complex factors in the distribution of income and wealth.

BANK RETURN

—	Wednesday May 7 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	21,728,963	+ 165,743
Special Deposits	949,010,000	—
Bankers	296,368,002	—126,710,582
Reserves & Other A/cs	383,867,392	+ 325,102
	1,665,547,357	—126,219,737
ASSETS		
Govt. Securities	1,170,032,399	— 69,456,000
Advance & Other A/cs	294,187,688	— 63,768,972
Premises, Equip't & other Secs	159,893,563	+ 1,892,369
Notes	41,253,535	+ 5,119,005
Coin	179,672	— 7,139
	1,665,547,357	—126,219,737
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	5,633,716,465	+ 19,880,995
In Circulation	5,575,000,000	+ 35,000,000
In Bank'g Dept	41,253,535	+ 5,119,005
ASSETS		
Govt. Debt	11,016,100	—
Other Govt. Secs	4,899,084,761	+ 33,316,579
Other Securities	664,900,139	— 7,316,579
	5,675,000,000	— 25,000,000

Natural gas saves Britain £1bn. a year

BY RAY DAFTER

BRITAIN IS saving some £1bn. a year on its balance of payments by substituting natural gas resources for imported oil.

At the same time British Gas expects to save more than £50m. through its new method of raising capital.

These were two of the points to emerge at the annual meeting of the Institution of Gas Engineers in London yesterday.

Details of energy savings was given by Mr. John Liverman, deputy secretary at the Department of Energy, who pointed out that natural gas made up 95 per cent. of all gas used in Britain. In the past five years alone, supplies to industry had increased from under 1bn therms to over 5bn. therms a year.

This expansion, he said, had depended on important technical successes. The construction of terminals and compressor stations, together with the "vast" onshore transmission system represented a technological achievement.

By the early 1980s natural gas supplies from the North Sea were expected to supply one-fifth of Britain's primary energy consumption, compared with some 16 per cent. at present and only 3 per cent. in 1969. Because of the efficiency of gas, it was reasonable to forecast that gas would be providing almost 35 per cent. of useful heat output by the early 1980s.

Mr. Liverman said the development of North Sea oil and gas was the most dramatic instance of Britain's drive for energy self-sufficiency. There was no doubting the potential. On the other hand, the fuel industries would not find it easy to meet the objective although the Government believed it could be done.

Referring to British Gas borrowings, Mr. Jack Smith, the Corporation's finance member, said that new ways of saving money had saved £25m. over the past five years. These savings would increase to £50m. and there was even greater potential.

Under the old system, he explained, the Gas Corporation took long-term Government loans as needed, backed up by a small overdraft.

Now funds were borrowed from the National Loans Fund for 10 years; from foreign sources; and from the domestic markets on a short-term basis up to a limit of £140m.

Big London sale planned for Rothschild wines

BY EDMUND PENNING-ROWSELL

HARD TIMES in Bordeaux and cash-flow problems in Pauillac have evidently combined to make the rival Rothschilds of Lafite and Mouton-Rothschild join together in a sale by Christies of massive quantities of wines from their own cellars.

The sale will take place, like last July's mammoth Bass-Charrington sale, in Quaglino's ballroom, St. James's, S.W.1, on June 6.

In what the auctioneers regard as their most important wine sale of the season, 6,000 cases of 20 vintages from 1945 to 1971 of these adjoining first-growth Medocs will be offered in lots that range from 8-bottle Imperiales and Jeroboams down to bottles and halves. Larger quantities, generally carefully equalised between the two properties, naturally stem from more recent vintages.

For example, of the '70, each Chateau is offering 705 doz. bottles, as well as larger and smaller sizes and rather more than 500 dozen of the '71, whose record ex-Chateau opening price exceeded £10 a bottle.

However such celebrated vintages as '45, '49, '53 and '61 are more slenderly represented with only a few cases apiece of the famous '45, though Lafite is offering 50 dozen bottles of the '61, while Mouton-Rothschild is selling only five dozen, plus larger sizes in each case.

The large amounts, from the Chateaux' reserve stocks rather than from their private cellars, show the weight of wine lying unsold in the cellars of these growths which were the most sought-after and among the most popular speculation wines in the 1971-1973 boom. Lafite is disposing of equivalent of nearly 40 hogsheads alone of its '70 wine.

Although reserve prices have been fixed low enough to encourage sales, prices have fallen since the Bass-Charrington sale when large lots of such wines to be offered next month as Lafite '67 and Mouton-Rothschild '70, went for no more than £88 and £54 a dozen respectively.

As it seems unlikely that the trade here or abroad will be in a position to absorb large quantities, particularly of the more recent vintages, it remains to be seen whether private buyers, singly or in syndicates, will pick up lots generally ranging from 3 to 10 dozen bottles.

However, Christies are optimistic that the 1,136-lot, all-day sale, will realise up to £400,000, an average of about £65 a case.

40% student grant rise demanded

By Michael Dixon, Education Correspondent

A CRISIS faced students living in university residences next autumn unless the main rate of grant is raised by 40 per cent. [...]

Homework can damage health says BIM

HOMEWORK BY business managers can lead to poor performance and health, warns the British Institute of Management. [...]

MONEY MARKET

Interest rates fall

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

Short-term interest rates tended ... in the London money market yesterday, in spite of ... es of sterling in the foreign ... ge market. The one-month ... g certificate yield fell to 9¾ per cent., from the previous ... per cent., the three-month ... per cent., from 10⅛-10 per ... and the one-year to 11⅛-11⅛ per cent., from 11½-11¼ per cent.

Day-to-day credit was in some shortage, and the authorities gave a small amount of assistance, by buying Treasury and local authority bills from the Discount houses (perhaps leaving a certain shortage to be carried on by the banks.

Banks had carried over a surplus from Wednesday, and there was a fall in the note circulation, but the market faced a net take-up of Treasury bills, revenue transfers to the Exchequer were greater than Government disbursements, and the authorities held maturing local authority and bank bills.

Discount houses paid 8-8½ per cent. for secured call loans in the earlier part, and 7-7½ per cent. in the later. In the inter-bank market, overnight loans ranged from about 7 per cent. to 10 per cent.

Rates in the table below are nominal in some cases.

	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ♦	Bank bills ♦	Fine trade bills ♦
Overnight	—	7-10	—	—	—	9¼-10	7-8½	—	—	—
2 days notice	—	—	8-9	—	—	—	—	—	—	—
7 days or ...	—	—	8¼-8¾	—	—	—	—	—	—	—
7 days notice	—	7¾-8½	—	—	9¼-10¼	—	8-8¼	—	—	—
One month	9⅜-9¼	9¼-9½	8¾-9¾	11-9½	10-10⅜	—	8¾-9	9¼-9⅝	9½-9¾	10¾-12
Two months	9¾-9⅝	9⅞-9¾	9-9¾	11-9½	10¼-10⅝	—	9¼-9⅝	9⅜-9½	9⅞-9⅞	10¾-12
Three months	10-9⅞	9½-10⅛	—	11-9¾	10½-11	—	9¾	9½	9⅞-9¾	10¾-12
Six months	10⅛-10⅝	10⅝-10⅞	10-10½	11½-10½	11⅛-11⅝	—	—	—	10⅝-10⅞	10¾-12
Nine months	11⅛-11¼	11⅛-11⅜	—	12-11½	—	—	—	—	—	—
One year	11¼-11⅛	11⅞-11¾	12⅝-12⅞	12¼-11¾	—	—	—	—	—	—
Two years	12⅛-12	12-12¼	13¼-13½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-14¼ per cent.; four years 13¾-14¼ per cent.; five years 13¾-14¼ per cent. ♦ Bank bill rate in table is buying rate for prime paper. Buying rates for four-month bank bills 10¼ per cent.; and four-month trade bills 10¾-12 per cent. Approximate selling rate for one-month Treasury bills 9¼-9⅜ per cent.; two-month 9¼-9⁵⁄₁₆ per cent.; three-month ... per cent. Approximate selling rate for one-month bank bills 9¾-9⅝ per cent.; for two-month 9⁹⁄₁₆-9⅝ per cent.; and three-month ... per cent.; for one-month trade bills 10-10½ per cent.; two-month 10-10½ per cent.; and three-month 10-10½ per cent.
Finance House Base Rate (published by the Finance Houses Association), 10½ per cent. from May 1. Clearing Bank Deposit Rates for smaller sums at seven days' notice 6½ per cent. Clearing Bank Base Rates for lending 9½ per cent.
Treasury Bills: Average tender rate of discount 9.4679 per cent.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
...	50p	20	170	+ 7	174	62
...	£1	20	248	+ 7	255	118
" New "	Nil/pd.	18	53*	—	70*	46*
...	25p	16	145	+ 6	149	68
...	25p	14	250	+ 7	272	91
...ers	50p	14	127½	+ 3½	141	65½
... Transport	25p	14	298	+12	300	118
...	25p	13	105	+ 4	105	39½
...	£1	11	428	+18	453	190
...am	25p	11	273	+ 9	273	116
...	25p	11	112	+ 2	131	51
...er	£1	9	152	+ 4	167	50
Commercial Union	25p	9	169	+ 3	182	72
Prudential Ass.	5p	9	125	+ 5	150	52
...	25p	9	197	+ 7	199	80

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (number in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (77)

AMERICANS (1)
Cent. Illinois

CANADIANS (1)
Place Gas

BANKS (2)
Copenhagen | Credit Francs

BUILDINGS (4)
Benfield and Loxley | JB Hides.
Brown Jackson | Roberts Adlard

CINEMAS (1)
Ulster TV 'A'

ELECTRICALS (4)
EMI | Perkin Elmer 4pc
Do. Dfd. | Philips Fin 4¼pc

ENGINEERING (4)
Neepsend | Taylor Pallister
RHP | Westland

FOODS (2)
Mahon's Stores | Brit Sugar

INDUSTRIALS (21)
AD Intnl. | Incledon Lamberts
Allied Inv. | Le Bas (Edward)
BTR | Lonrho
Beecham | Martin-Black
Bensons Intnl | Press (Wm.)
Braby Leslie | Prestige Grp.
Clarke (Clement) | Steel Bros
Dover Cpn. | Stigwood (R.)
Elbar Inds. | U.K. Optical
GRA Tst | Wood Hall
Gross Cash Registers

INSURANCE (2)
Phoenix | Stenhouse

MOTORS (2)
York Trailer | Pride and Clark

PAPER AND PRINTING (1)
Harrison and Son

SHOES (2)

REGIONAL MARKETS

BASE LENDING RATES

A.B.N. International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10 %
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
■ C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kingshurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk	9½%
Twentieth Century Bk	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾%, and over £25,000 7¼%.
§ Deposit Base Rate 6½%.
Demand deposit 7¼%

CORAL INDEX
Close 326-331

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	10 %

Address shown under Insurance and Property Bond table.

INSURANCE, PROPERTY, BONDS

Save & Prosper Group
4, Gt. St. Helen's, London E.C.3

Bal'nced Inv. Bd.	89.1	93.8	+0.1	—
Equity Bonds	87.9	92.5	+0.2	—
Property Fnds	103.	108.8	.....	—
Deposit Fund	105.3	108.8	.....	—
Equity Pension Fd	102.3	107.7	+5.5	—
Prop. Pens. Fund	117.5	123.5	.....	—
Mini Bonds	19.8	20.9	.....	—
Comp'y Pens Fnd	121.3	127.7	.....	—

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, May 8, 1975 Index No.	Day's Change %	Est. Earnings Yield % Max. Corp. Tax 52%	Gross Div. Yield % ACT at 35%	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. May 7 Index No.	Tuesday May 6 Index No.	Monday May 5 Index No.	Friday May 2 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	118.70	+3.7	20.05	6.78	7.30	7.29	114.48	112.60	115.56	120.95	111.53	129.01 (25/4)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	105.92	+5.6	22.22	7.39	6.87	6.87	100.28	99.47	102.38	108.93	111.05	117.40 (22/4)	45.11 (6/1)	233.84 (3/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	229.80	+5.6	18.09	4.31	8.16	8.14	217.65	213.73	217.33	230.97	189.73	251.61 (25/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	203.08	+4.2	18.34	5.78	7.89	7.89	194.90	189.41	198.31	208.87	211.16	229.65 (25/4)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	141.37	+2.9	22.86	7.59	6.49	6.49	137.36	137.18	139.59	144.86	116.13	159.79 (22/4)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	106.11	+2.1	20.68	7.57	7.00	7.00	102.99	101.31	103.08	106.27	90.15	110.07 (25/4)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	45.44	+1.6	13.58	10.32	13.05	12.85	44.72	44.41	43.40	44.89	56.57	46.19 (22/4)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	107.09	+2.6	19.49	7.27	6.99	6.97	104.37	103.84	105.39	109.40	98.92	114.48 (25/4)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	83.52	+3.9	21.61	7.39	6.75	6.74	80.35	79.48	81.72	85.23	99.35	90.59 (22/4)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	92.19	+4.6	23.01	5.52	6.30	6.29	88.12	86.04	89.12	94.02	121.75	105.68 (10/3)	44.28 (6/1)	257.41 (19/6/72)	42.85 (13/12/74)
11	Household Goods (15)	134.58	+2.6	32.25	7.90	4.47	4.47	131.12	132.22	133.72	138.06	152.08	146.90 (23/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	47.11	+3.6	14.95	9.75	10.04	9.96	45.48	45.39	46.55	48.01	48.64	50.55 (22/4)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	133.90	+3.2	15.24	6.10	9.28	9.27	129.75	126.90	129.55	134.31	119.46	141.55 (22/4)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	146.92	+4.9	14.32	6.75	10.45	10.45	140.11	137.01	140.60	145.07	143.22	156.35 (22/4)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	152.27	+4.4	14.06	5.16	10.56	10.56	145.87	145.73	151.93	157.50	160.42	167.59 (22/4)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	145.83	+6.0	16.22	7.73	9.47	9.47	137.52	132.37	136.56	144.84	140.22	149.02 (25/4)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	141.73	+2.9	14.72	5.43	9.40	9.57	137.68	135.63	137.75	141.81	116.38	148.82 (22/4)	62.03 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	133.89	+3.4	11.45	4.69	12.98	12.98	129.44	127.80	129.55	135.04	109.29	145.54 (25/4)	57.15 (2/1)	235.08 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	135.60	+3.2	20.36	7.06	7.36	7.36	131.34	130.37	132.63	135.96	155.51	146.73 (25/4)	55.08 (6/1)	260.29 (13/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	97.71	+4.3	22.35	6.75	6.49	6.49	93.73	92.58	95.51	98.47	79.30	102.98 (25/4)	43.46 (6/1)	135.69 (28/4/72)	43.46 (6/1/75)
21	Stores (30)	123.99	+3.0	11.25	5.15	15.16	15.16	120.36	117.41	120.49	125.88	96.60	129.59 (22/4)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	129.47	+4.5	27.56	7.77	4.22	4.20	125.94	121.22	124.96	128.54	152.86	142.59 (17/4)	62.93 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobacco (3)	179.52	+0.1	19.42	7.42	7.55	7.55	179.35	172.75	172.66	176.70	184.74	199.16 (10/3)	109.92 (6/1)	339.16 (2/5/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.57	+1.5	26.92	7.45	5.07	5.07	40.83	41.02	40.66	41.21	43.82	43.61 (25/4)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	161.71	+4.1	21.34	5.50	5.65	5.65	155.28	152.55	154.11	157.69	143.17	164.47 (25/4)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	92.71	+2.5	15.29	5.67	8.72	8.72	90.48	89.65	89.40	92.26	117.69	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	344.23	+3.2	25.87	6.85	4.61	4.49	333.40	331.08	346.79	356.47	391.63	401.84 (10/3)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	141.09	+3.3	17.62	6.84	7.95	7.98	136.55	134.20	136.17	142.06	134.00	148.14 (25/4)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	129.72	+3.5	17.86	6.50	7.95	7.94	125.38	123.06	125.57	130.31	121.67	137.57 (25/4)	59.19 (6/1)	230.17 ([illegible]/72)	59.01 (13/12/74)
30	OILS (4)	251.61	+3.9	29.25	6.13	3.67	3.42	242.12	236.40	239.38	247.52	246.65	251.61 (8/5)	106.65 (2/1)	441.66 (29/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	140.06	+3.5	19.44	6.28	6.85	6.69	135.39	132.61	135.26	140.29	132.28	146.96 (25/4)	66.40 (6/1)	237.95 (18/5/72)	65.49 (13/12/74)
32	FINANCIAL GROUP (100)	137.49	+2.4	—	5.90	—	—	134.21	131.80	134.75	140.59	126.32	147.96 (22/4)	56.60 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	149.38	+0.6	25.01	5.26	5.96	5.96	148.47	145.31	146.64	152.54	148.60	153.68 (25/4)	62.55 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	137.99	+2.8	—	8.19	—	—	134.21	129.05	133.98	142.49	143.48	169.27 (7/5)	64.13 (6/1)	293.13 (2/5/72)	61.40 (10/12/74)
35	Hire Purchase (8)	108.09	—	23.04	5.46	5.77	5.29	108.09	102.46	107.76	117.01	218.64	154.39 (10/3)	48.81 (6/1)	435.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	109.44	+3.4	—	6.13	—	—	105.86	107.03	111.96	117.80	100.69	127.97 (25/4)	44.88 (2/1)	194.46 (16/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	110.41	+3.7	—	5.92	—	—	106.45	105.62	105.96	110.71	83.81	114.39 (25/4)	44.47 (8/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	185.44	+3.8	10.66	4.57	13.82	13.82	178.60	176.75	180.25	185.13	169.15	191.72 (25/4)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	84.40	+1.0	—	7.59	—	—	83.53	85.05	86.51	88.96	115.49	94.97 (7/3)	51.21 (7/1)	278.57 (1/6/72)	51.21 (7/1/75)
40	Property (32)	223.68	+3.2	4.06	2.67	35.56	34.10	216.85	212.71	216.97	227.28	173.27	241.22 (22/4)	88.19 (7/1)	367.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	68.05	+1.5	16.68	9.54	8.41	8.31	67.02	67.58	68.66	70.75	105.62	75.78 (23/4)	34.78 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	166.32	+2.5	5.04	4.16	32.89	32.89	161.29	161.42	163.91	166.43	152.77	170.07 (23/4)	73.46 (6/1)	346.79 (25/4/72)	71.65 (13/12/74)
43	ALL-SHARE INDEX (650)	139.98	+3.2	—	5.92	—	—	135.69	133.14	135.82	140.67	130.15	147.45 (23/4)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	501.56	+2.1	10.21	6.43	11.65	11.08	491.10	486.51	488.28	493.48	400.17	501.56 (8/5)	281.66 (2/1)	565.57 (23/7/73)	84.62 (26/8/65)
45	Teas (10)	88.46	—0.1	21.84	9.04	5.77	5.55	88.58	88.56	89.01	88.54	104.78	96.63 (25/4)	76.76 (10/1)	181.47 (1/6/72)	59.72 (17/10/74)
46	Coppers (3)	454.15	—0.7	43.24	16.65	2.51	2.51	457.50	458.70	461.86	454.49	416.49	480.26 (22/2)	374.58 (22/1)	567.78 (15/7/73)	94.08 (19/4/62)
47	Mining Finance (11)	127.16	+1.1	9.42	4.15	11.50	11.50	125.80	124.65	126.96	128.66	115.42	128.66 (2/5)	80.58 (23/1)	176.90 (25/4/69)	66.31 (30/9/74)
48	Tins (8)	99.21	+0.3	10.28	8.35	12.35	10.76	98.96	99.00	99.66	100.76	101.41	101.75 (30/4)	58.91 (6/1)	125.45 (12/1/73)	54.65 (27/5/71)
49	Overseas Traders (13)	228.45	+1.7	14.87	5.80	8.70	8.67	224.65	219.31	222.48	224.02	—	229.40 (23/4)	97.37 (6/1)	229.40 (23/4/75)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., May 8 Index No.	Thurs., May 8 Yield %	Wed May 7	Tuesday May 6	Monday May 5	Friday May 2	Thursday May 1	Wed. April 30	Tuesday April 29	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.15	15.56	15.47	15.58	15.52	15.52	15.55	15.42	14.27	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.15	‡15.73	46.50	45.99	45.65	46.06	46.65	45.58	46.01	50.78	53.09 (20/3)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	46.52	‡16.21	45.32	45.55	45.75	46.45	46.51	46.52	46.59	47.69	50.68 (21/3)	37.01 (3/1)	115.45 (23/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	42.20	15.40	42.12	42.12	42.12	42.62	42.66	42.89	43.26	44.78	46.57 (20/3)	35.36 (3/1)	114.41 (13/8/63)	34.46 (4/12/74)
5	Coml. and Indl. Prefs. (20)	58.25	16.16	57.83	57.74	58.57	59.25	59.31	58.83	59.52	57.24	66.98 (20/3)	48.35 (3/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Dates	Base Value	Section or Group	Base Dates	Base Value
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous, Financial	31/12/70	128.06			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGE: Orion Insurance (Insurance Composite) has been replaced by Regional Properties (Property).

Option Report—3-month Call rates

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 29	May 12	July 24	Aug. 2
May 13	May 27	Aug. 7	Aug. 19
May 28	Jun. 9	Aug. 20	Sept. 2

OPTION DEALING DATES

The Option market had another quiet session. "Calls" were done in Wm. Mallinson, Cons. Gold Fields, Dunlop, EMI, Westland, F. W. Woolworth and Prudential. "Puts" were done in Pye, Thorn Electrical 'A' and Bowater, while "doubles" were arranged in Dunlop, EMI, Lubok, Town and Commercial, Boots and Capital and Counties.

Industrials						Mines	
		Grand Met.	10	Slater Walker	14	Anglo Amer.	45
		G.U.S. 'A'	20	Spillers	7	Broken Hill Pty	65
A. P. Cement	20	Guardian	20	Tesco	6	Cast	9
Assoc Leisure	5	G.K.N.	25	Thorn 'A'	25	Charter Cons.	20
Barclays Bank	35	Hawker Sidd.	25	Tube Invest.	30	Chart'rh'll Fin.	7
Beecham	24	House of Fraser	10	Unilever	40	Cons Gold	22
Boots Drug	24	Hudson Wllms	5	Utd. Drapery	12	De Beers Def.	20
Bowaters	17	I.C.I.	23	Vickers	16	F. S. Geduld	200
B.A.T.	35	"Imps"	7	Woolworths	6	Great Boulder	56
British Leyland	1¾	I.C.L.	7			Hampton Areas	10
British Oxygen	6	Inveresk	10	Property		Hampton Prop.	4
Burton 'A'	6	Legal & General	17	Cap. Counties	7	Kloof	140
Cadburys	6	Lloyds Bank	30	E.P.	9	Lonrho	20
Courtaulds	12	"Lots"	9	Int. Europe	7	Loraine	55
Debenhams	11	"Mams"	9	Land Securities	22	Metals Explor.	8
Distillers	15	Marks & Sp'ncer	22	Peachey	7	Poseidon	55
Dunlop	6	Midland Bank	32	Town & City	7	Pres. Steyn	225
Eagle Star	16	Nat'l West Bank	30	Town & Comm.	7	Rio T. Zinc	20
E.M.I.	14	P & O Dfd.	16			Welkom	55
First National	5½	Plessey	8	Oils		West Areas	55
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	45	Western M'ng.	15
Gen. Accident	16	Rank Org. 'A'	25	Burmah Oil	11	Zambia Copp	7
Gen. Electric	14	Reed Int'l.	25	Shell	26		
Glaxo	40			Ultramar	17		

FOOD PRICE MOVEMENTS

	May 8 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	800	800	800
British A.1 per ton†	795	795	775
Irish Special per ton†	795	795	770
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton§	795	795	770
BUTTER (packet)			
NZ per 28 lbs†	—	—	9.87
English per cwt†	40.72-41.13	40.72-41.14	40.46-41.15
Danish salted per cwt†	41.72-42.30	41.72-42.30	41.72-42.10
CHEESE§			
English cheddar white rindless 40-lb per cwt	43.15	43.15	—
NZ per 20 kilos	15.61	15.61	14.73-15.61
EGGS*			
Home-prod. Standard	2.60-2.90	3.20-3.40	3.05-3.10
Large	3.0-3.30	3.50-3.60	3.20-3.35
	May 8 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scotch killed sides (ex KKCF)	34.0—36.0	33.0—36.0	36.0—39.0
Eire forequarters	25.0—26.3	25.0—26.0	26.0—27.5
Argentine chilled rumps	—	—	—
LAMB			
English	40.0—44.0	40.0—43.0	44.0—48.0
NZ 2s-Ds	29.0—29.5	29.0—30.0	29.0—30.0
PORK (all weights)	23.0—34.0	23.5—34.0	23.0—33.0
MUTTON			
English ewes	12.0—13.0	12.0—13.0	12.0—13.0
POULTRY			
Broiler chickens	23.0—26.0	23.0—26.0	22.5—24.0

* London Egg Exchange price per 120 eggs. † Delivered. § London and National Provision Exchange price. ¶ For delivery May 10-17. ** FMC price.

Drought hits Indian tea production

By Our Own Correspondent

CALCUTTA, May 8.

TEA PRODUCERS Associations, notably the Indian Tea Association and the Tea Association of India, have estimated that because of the prevailing drought conditions in the tea-growing areas of West Bengal and Assam at least 14m. kilos of output will have been lost by the end of May.

They say that the first flush of the high quality Darjeeling teas has been so affected that not more than 50 per cent. can be expected.

These bodies further say damage done to the tea estates is already so serious that even if there is good rain immediately the bushes will take at least two months to recover which would mean that a considerable part of the second flush tea growing between May 15 and July 15 would be lost.

Flixborough report likely on Monday

THE OFFICIAL report on the Flixborough chemical plant explosion which killed 28 workers last June, is expected to be published on Monday. It follows nine weeks of evidence at one of the most complex and costly courts of inquiries of its kind.

The report is expected to spell out the causes of the disaster as well as recommend ways in which safety practices at chemical plants might be tightened.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	48	1	4
Corpns. Dom. and Foreign Bonds	17	1	53
Industrials	601	169	979
Financial and Prop.	309	49	261
Oils	8	7	17
Plantation	5	2	43
Mines	56	22	73
Recent Issues	23	1	[illegible]
Totals	1,067	252	1,456

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up 4 despite rise in wholesale prices

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 8.

FURTHER GAINS were scored on Wall Street to-day, when the market fought off some profit-taking and disappointment over a rise in the Wholesale Price Index—reversing a four-week decline in the WPI.

After dipping 4.93 to 831.51, the Dow Jones Industrial Average rallied to 840.50 making a net gain of 4.06 on the day. The NYSE All Common Index moved up 31 cents to $47.44, while advances outpaced declines by 949 to 484. Trading volume expanded 730,000 shares to 22.98m.

As the Stock Market opened for trading, the U.S. Labor Department announced that wholesale prices rose 1.5 per cent. in April. The White House said the climb wasn't surprising but added it was pleased that the rise in wholesale prices for industrial commodities was small. A surge in farm prices led the overall gain.

Ford Motor finished unchanged at $35¼, despite an optimistic forecast from the company for the remainder of the year. Chairman Henry Ford II told the annual meeting that the worst appears to be over for the Motor Industry. Other car makers scored small gains.

Singer rose $1⅝ to $15¾—it expected an improvement in the second quarter and generally better results in the second half year. In the first quarter it reported a loss of $3.7m.

Marathon Oil picked up $1¼ on hopes that it was close to settling with other owners a dispute over oil production in a large Texas oil field.

Revere Copper added $1⅛ at $13⅞.

Joy Manufacturing finished $⅞ up at $68¼, after falling more than $3. It proposes a public offering of 700,000 Common shares.

Boise Cascade tacked on $⅞ at $23¾—it expected a decline in 1975 earnings but raised its dividend.

M. Lowenstein and Sons fell $1 to $11 on a first quarter net loss.

Standard Oil of Ohio fell $1⅛ to $63—the Alaskan House of Representatives voted a Property Tax on oil and gas reserves in Prudhoe Bay years before it is to be piped to market.

The American SE Market Value Index moved up 0.56 at 86.67, with advances outpacing declines by 365 to 285. U.S. Filter the most active issue advanced $1¼ to $10 on a volume of 113,200 shares.

Syntex rose $⅞ to $45. Tesoro Petroleum Warrants up $1⅞ to $9⅞.

Xonics put on $1⅛ to $18⅜ on "indications that we may have won some rather large contracts from the EPA, but there isn't anything signed yet."

Canada still mixed

Canadian Stock Markets continued mixed in light trading yesterday.

The Gold Share Index rose 3.41 to 383.69, Base Metals 1.10 to 71.98, Western Oils 0.68 to 186.01 and Utilities 0.08 to 133.42. But Industrials shed 0.07 to 184.82, Banks lost 0.69 to 251.09 and Papers eased 0.16 to 107.97.

Canadian Tire "A" moved up $1⅞ to $49¼ after presenting a positive 1975 earnings outlook. But Western Supplies gave way $1¼ to $21¼, despite a lack of company news.

Banister Continental were lifted $1⅞ to $8⅝ on prospects for major upcoming gas pipeline projects.

Hollinger Mines "A" lost $1⅞ to $25¾ but **Placer Development** gained $1 to $19. **Cadillac Fairview** declined $⅞ to $12.

OTHER MARKETS

HONG KONG—Market opened firmer but the trend was reversed shortly afterwards. Main influence was profit-taking in **Hutchison,** off 15 cents to $HK2.725, after Wednesday's speculative gain. Dealers also reported rumours of a rights issue from Hutchison, which was an added depressant.

TOKYO—Market extended its advance as active selective demand more than offset increased profit taking. Volume 240m. (200m.) shares.

Dealers welcomed news that the Government plans to adopt additional measures to boost the economy. There was growing expectations that the official discount rate would be reduced earlier than expected.

Blue Chips such as **Sony, TDK, Alps Electric, Pioneer, Shiseido, Nippon Gakki, Miyuki Woollen Textile** and **Mitsubishi** were prominent gainers.

AUSTRALIA—Quietly firm, with the main interest centred on Golds.

Kalgoorlie Southern moved up 30 cents to $A1.78, **GMK** rose 15 cents to $A1.70, **Emporer** put on 2 cents to $A1.50 and **Peko** gained 4 cents to $A2.80.

Some Base Metals edged higher, but the Oil market ran into selling in the afternoon.

CSR rose 7 cents to $A4.45 in an otherwise generally weak Sugar market following the outlook for the world sugar price. **Bundaberg** fell 15 cents to $A4.30 and **Pioneer** lost 5 cents to $A4.25.

Bourses in the following countries were closed yesterday for Ascension Day: Austria, Belgium, Denmark, France, Italy, Lebanon, Luxembourg, Norway, Netherlands, Spain, Sweden, South Africa, Switzerland and West Germany.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	†Trading volume '000's
May					
8	67.69	170.72	840.50	76.37	22,980
7	67.56	170.85	836.44	76.47	22,250
6	67.63	171.30	834.72	75.25	25,410
5	67.54	174.12	855.60	75.19	22,370
2	67.32	171.89	848.48	74.64	25,210
1	67.25	170.76	830.96	74.29	20,660
Apr.					
30	67.24	171.36	821.34	74.04	18,060
29	67.37	168.02	803.04	74.16	17,740
28	67.55	169.66	810.00	74.77	17,850
25	67.47	169.45	811.80	75.03	20,280
24	67.65	167.57	803.66	75.19	19,050
23	67.71	166.95	802.49	75.50	20,040
22	67.74	169.86	814.14	75.82	26,120
21	67.58	171.13	815.86	76.50	25,940
18	67.66	169.37	808.43	76.06	22,610
17	67.56	170.60	819.46	76.72	32,650
1975 High	68.92 (4/4)	174.12 (5/5)	855.60 (5/5)	81.96 (31/1)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 2	Apr. 25	May 4, 1974
4.55	4.80	4.30

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High Low	May 8	May 7	May 6	May 5	May 2
47.60-37.06 (5/5) (2/1)	47.44	47.13	46.91	47.60	47.18

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,793	949	484	360

	May 8	May 7	May 6	May 5	May 2
New Highs	156	81	166	184	204
„ Lows	11	7	7	10	9

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High Low	May 8	May 7	May 6	May 5	May 2
86.67 62.20 (8/5) (3/1)	86.67	86.11	85.74	85.46	84.81
Volume '000's	2,656	2,460	2,980	2,880	2,810

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
May 8	100.98	89.38
„ 7	100.45	89.05
„ 6	99.93	88.64
„ 5	101.67	90.08
„ 2	100.66	89.22
„ 1	99.34	88.16
April 30	98.42	87.30
1975 High	101.67 (5/5)	90.08 (5/5)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 60 Utilities, 15 Rails.

STOCK AND BOND YIELDS

	May 7 1975	Apr. 30 1975	May 8 1974
Ind. Ord *yield pc	3.76	3.80	3.59
Ind. Ord. p/e ratio	9.83	9.89	11.65
Long-term Govt. Bds. per cent.	6.14	6.23	6.73

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Am. T & T Wts.	1,049,500	13⅜	+3/16
Browning-Ferris	290,200	6⅞	−1
RCA	277,300	18	+1⅛
Teleprompter	257,300	6⅜	+⅛
CNA Financial	250,000	6⅞	+⅞
Houston L. Power	249,000	21⅞	+⅛
Curtiss Wright	235,000	13	−⅞
Addressograph	191,300	9⅛	+0
Boise Cascade	167,500	23⅞	+⅞
Cent. Cod. West	154,500	14⅞	+⅛

TORONTO

INDUSTRIAL INDEX

May 8	May 7	1975 High	1975 Low
184.82	184.89	188.69 (17/4)	189.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

May 8	May 7	1975 High	1975 Low
194.77	194.61	194.81 (7/5)	169.95 (2/1)

COMBINED INDEX

May 8	May 7	1975 High	1975 Low
186.54	186.61	189.97 (17/4)	186.62 (2/1)

JOHANNESBURG

	May 7	May 6	1974-75 High	Low
Industrials	208.0	206.9	210.3 (17/2)	189.0 (23/1)
Golds	293.7	291.3	379.1 (2/1)	285.2 (15/4)

(1958=100.) Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	May 8	May 1	April 24
On Dividends	7.48	7.43	7.29
On Earnings	14.17	15.17	13.81

SYDNEY ALL ORD. INDEX

May 8	May 7	High 1975	Low 1975
351.75	351.18	388.48 (14/1)	288.98 (9/1)

HONG KONG INDEX ●

May 8	May 7	High 1975	Low 1975
309.92	313.04	333.64 (28/4)	160.42 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

May 8	May 7	High 1975	Low 1975
331.78	330.12	331.72 (8/5)	268.24 (10/1)

SINGAPORE INDEX §

May 8	May 7	High 1975	Low 1975
265.75	266.65	268.69 (11/3)	153.36 (8/1)

EUROPE

	May 7	Previous	1975 High	1975 Low
Belg'm (a)	110.98	111.62	111.73 (5/5)	89.07 (8/1)
Denm'k (b)	87.26	87.27	88.53 (16/4)	73.08 (15/1)
France (d)	(c)	70.1	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	711.9	715.1	736.1 (16/4)	573.6 (2/1)
Holland (f)	105.6	107.6	107.6 (6/5)	85.5 (3/1)
Italy (g)	100.10	101.09	102.86 (21/2)	85.9c (8/1)
Spain (h)	107.42	107.57	110.96 (22/4)	91.2b (15/1)
Sweden (k)	367.27	365.30	374.93 (18/4)	310.5n (9/1)
Switz'rl'd (m)	289.9	295.1	295.1 (6/5)	206.5 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ● Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Pound at new low

Sterling again fell to a record low against major currencies in general in the foreign exchange market yesterday, on the basis of the Bank of England calculation of its trade-weighted average depreciation against 10 units since the Washington Currency Agreement of December, 1971, which ended at 23.8 per cent., against the previous 23.5 per cent., and stood at 23.7 per cent. at noon, and at 23.6 per cent. in early dealings. Conditions were generally quiet, in view of the Ascension Day holiday in many Continental centres. In terms of the dollar, the pound rose on balance—its overall weakening notwithstanding—to close at $2.3410-2.3420, against Wednesday's $2.3380-2.3390, and fluctuated over the day in a range of $2.3370-2.3435. The dollar's trade-weighted average fall against 14 units since the Washington Agreement (as calculated on noon rates in New York by Morgan Guaranty) widened to 7.02 per cent., from 6.87 per cent., while sterling's fall on a similar basis widened to 28.65 per cent., from 28.45 per cent.

The French franc continued in good demand, with its trade-weighted appreciation, since the Washington Agreement, on the Morgan Guaranty basis, widening to 5.56 per cent., from 5.41 per cent.

Gold rose $¾ an ounce on balance in London, to $166¾-167¼, in moderate business, ranging over the day in limits of $165¾-167¼.

The Krugerrand was in good demand in U.K. domestic dealings, ending in places at a premium of almost 25 per cent. over its gold content, on the dealer's offered side, against 21⅝ per cent. overnight, though in international business its premium finished at around the previous 3 5/16 per cent.

£1 sterling =	Dec. 17 1971	May 8 1974	April 14 1975
Australian $	2.1471½	1.6336	1.7541
Belgian francs	115.10	90.95	83.70
Canadian $	2.52	2.3417½	2.3770
French francs	[illegible]	11.77½	9.93
Italian lire	1,516	1,519	1,507
Japanese yen	795½	674	686
Netherland guilders	8.28½	6.23¾	5.76½
Swiss francs	9.79½	7.03½	6.07½
U.S. $	2.5294	2.4300	[illegible]
W. German marks	8.24	5.89½	5.64½

The figures above show movements in certain major currencies against sterling since the Budget, over the past year, and from immediately ahead of the Washington Currency Agreement of Dec. 1971.

GOLD MARKET

	May 8 1975	May 7 1975
Gold bullion (a fine ounce).		
Close	$166¾-167¼	$165½-166½
Opening	$165½-166½	$164¼-165¼
Morning fix'g	$165.75 (£70.803)	$164.75 (£70.415)
Afternoon fix'g	$166.25 (£71.047)	$165.28 (£70.559)
Gold coins domestically		
Krugerrand	$204-209 (£87¼-89¼)	$197½-202½ (£84½-86½)
New sov'r'gns	$65-67¼ (£27¾-28¾)	$63¾-66 (£27¼-28¼)
Old sov'r'gns	$65-67¼ (£27¾-28¾)	$58-60¼ (£24¾-25¾)
Gold coins internationally		
Krugerrand	$171-172½ (£73-73¾)	$170½-172 (£72¾-73½)
New sov'r'gns	$52½-54 (£22-23¼)	$52-53½ (£22¼-23)
Old sov'r'gns	$50½-52 (£21½-22¼)	$50-51½ (£21¼-22)
$20 Eagles	$238-243	$230-235
$10 Eagles	$123-128	$118-123
$5 Eagles	$93-98	$88-93

EXCHANGE CROSS-RATES

May 8	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't (c)	—	2.365-367	57.75-.90	6.52-.54	5.525-540	98.10-18	93.30-40
N. York	42.55 58	—	24 68 72	2.76½ 87½	2.3410-3420	41.74-.77	39.92 .96
Paris(c)	173.125-325	4.1015-1112	—	11.7375 7625	9.60-625	169.9-70.3	161 25-65
Brussels (c)	14.175-320	34.95-35.0	8.52 56	—	81.75 .92	14.48-.53	13.77-83
London	5.49½-50½	2.341 342	9.47 48	81.40-.60	—	5.59½-60½	5.86 87
Am'erdam (c)	91.865 .915	2.4102 27	58.865-915	6.898 -.75	5.5305-55	—	95.085-135
Zurich (c)	107.11-38	2.530 534	61.92-62.14	7.2225-2450	5.912 930	104.83-.06	—

U.S.$ in Montreal. U.S.$1=102.76-78 Canadian cents

Canadian $ in New York. $C1=97.24-27 U.S. cents. U.S. $ in Milan 600.70

Sterling in Milan 14.7373. (c) closed for Ascension Day.

EURO-CURRENCY INTEREST RATES*

May 8 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W. German mark	Swiss franc
†Short term	—	—	3½-4½	5¾-6	4½-4¾	3¼-3¾
7 days notice	10-11	5-5½	5½-6½	5¾-6	4½-4¾	1¾-2¼
Month	11⅜-12½	[illegible]	6½-6⅞	4⅝-4⅞	4⅛-4⅝	5-5¼
Three months	12¼-13	[illegible]	7¼-7½	4⅞-5⅛	4⅛-4⅝	[illegible]
Six months	12¾-13¼	[illegible]	7⅜-7⅞	6-6¼	5¼-5⅝	[illegible]
One Year	13⅛-13⅞	[illegible]	[illegible]	6⅞-7⅛	[illegible]	[illegible]

Euro-French deposit rates: two days' notice [illegible] per cent.; seven days' notice [illegible] per cent.; one month [illegible] per cent.; three months [illegible] per cent.; six months 10-10½ per cent.; one year 10¼-10¾ per cent.

Longer-term Eurodollar deposits: two years [illegible] per cent.; three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5¾-5⅞ per cent.; three months [illegible] per cent.; six months 7 1/16-7⅛ per cent.; one year [illegible] per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

FOREIGN EXCHANGES

May 8 1975	Bank Rates %	Day's Spread
New York	6¼	2.3370-2.3435
Montreal	8¼	2.3950-2.4030
Amsterdam	6	5.58-5.65
†Brussels	7	81.40-82.00
Copenh'gen	8	12.87-12.98
Frankfurt	5	5.48-5.52
Lisbon	8½	56.30-57.80
Madrid	†7	160.98-161.40
Milan	8	1,446-1,474
Oslo	5½	11.52-11.60
Paris	10	9.48-9.58
Stockholm	7	9.15-9.25
Tokyo	6½	675-685
Vienna	6	38.80 39.15
Zurich	8	5.85½-5.89½

† Basic discount. ‡ Rates given for convertible francs; closing financial 84.40-84.60.

OTHER MARKETS

		Notes
Argentina	◆ 25.30-25.50	Argentina
Australia	1.7324-1.7424	Austria
Brazil	18.21-18.41	Belgium
Finland	8.28-8.30	Brazil
Greece	63.692-71.214	Canada
H'ng K'ng	11.44-11.48	Denmark
Iran	154.7-158.	France
Kuwait	0.654-0.674	Germany
Luxemb'g	81.40-81.60	Greece
Malaysia	5.2555-5.2855	Italy
N. Zealand	1.7595-1.7725	Japan
Saudi A'bia	8.15-8.25	Neth'lds
Singapore	5.2628-5.2760	Norway
S. Africa	1.5881-1.5910	Portugal
U.S.		Spain
Canada		Switz'l'd
OS1		U.S.
U.S. cents	97.42-97.45	Yugosl'la

§ Based on rates quoted by dealers. Other rates may be elsewhere. ◆ Rate given is the commercial rate: financial rate [illegible]. Rates given are liable to sharp fluctuation. (ss) Selling.

FORWARD RATES

	One Month
New York	1.28-1.18 c.pm
Montreal	1.10-1.00 c.pm
Amst'dam	4-3 c.pm
Brussels	35-15 c.pm
Copenh'g	5-3 ore pm
Frankfurt	4-3 pf. pm.
Lisbon	20 c.pm-60 c.dis
Milan	4½-1½ lire pm
Oslo	3 ore pm-par
Paris	3-1 c.pm
Stockholm	3 ore pm-par
Vienna	15-05 gro pm
Zurich	4½-3½ c.pm

Six-month forward U.S. dollar [illegible] pm. and 12-months [illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—103% (103½%)

NEW YORK

Stock	May 8	May 7
Addressograph	8⅞	7½
Aetna Life & Cas.	24⅜	23⅝
Corning Glass	48⅞	45
CPC Int'nation'l	41½	40¼
Crane	48¼	48½
Creole Petrol'm	8	8¼
Crocker Nat. C.P.	25¼	25⅛
Johns Manville	25¼	23⅛
Johnson Johnson	94⅝	94⅛
Johnson Control	12¾	12⅛
JoyManufactur'g	68⅞	68
Kaiser Alumin'm	30¼	29⅞
Rapid America	6	6
Raytheon	42⅞	43½
RCA	18	16⅞
Reading	3⅛	2⅞
Republic Steel	32⅛	32⅛
Zenith Radio	20¼	20⅛
Chile 3% 1993	†81½	†81½
Peru 3% 1997	†9	†9
U.S. Treas 4% 1974	†99	†99

GERMANY ◆

May 7	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	85.6	—1	—	—
Allianz Versich	469	+4	17	1.7
B.M.W.	235.5	—7.5	14	2.9
BASF	146.4	—1.1	17	5.8
Bayer	125.8	—0.5	17	6.6
Bayer Hypo	347		18	2.6

AMSTERDAM

May 7	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	99.7	—1.3	16	3.6
Akzo (Fl.20)	39.5xd		20	10.1
Algem Bnk (Fl.100)	332xd			6.0
AMAS NV (Fl.10)	17.3			5.8
AMEV (Fl.20)	69.5	—2.5	50	4.5
AmroBank (Fl.20)	68.4xd	—0.5		

AUSTRALIA

May 8	Aust. $	+ or —
Acrow Australia	10.78	
Adelaide Brighton Cem't 50c	†0.78	—0.01
Allied Man. Trdg. Indus $1	†1.46	+0.01
Ampol Exploration	†0.55	
Ampol Petroleum	†0.42	+0.01
Assoc. Minerals	†2.75	—0.05

VIENNA

May 7	Price	+ or —
Creditanstalt	380	
Perlmooser	370	—7
Selecta	745	
Semperit	214	—2
Steyr Daimler	162	
Veit Magnesit	407	

CANADA

TOKYO ¶

Source Nikko Securities Tokyo.

PARIS

MILAN

SWITZERLAND ●

BRUSSELS

STOCKHOLM

OSLO ◆

COPENHAGEN

JOHANNESBURG

SPAIN ▼

[S]TOCK EXCHANGE REPORT

[C]ontinued rise in Gilts gives equities a fresh boost

[Sh]are index up 8.2 at 331.1, making two-day gain of 20

[Acc]ount Dealing Dates

Declara-tions	Last Dealings	Account Day
May 1	May 2	May 13
May 15	May 16	May 28
May 29	May 30	June 10

[* "New] time" dealings may take place [from 9.30] a.m. two business days earlier.

[Thro]ugh the tone deteriorated in the late trading on [news] of an imminent "rights" [fr]om Barclays Bank, British [Funds] and equities made fresh [headwa]y in stock markets yester[day. T]he former advanced on a [broad f]ront, but activity centred [o]n the longest dated stocks [where] closing gains ranged to a [point.] The Government Securities [index i]mproved 0.58 more to 57.73, [making] a gain of 1.18 over the last [two tr]ading days.

[Conti]nued firmness in the [funds] encouraged support for industrials. Demand was [not] that sizeable, but a reason[able a]mount of buying interest [saw pr]ices with fresh gains of [up to] 10—despite the late turn. Up 10 points at 3 p.m., [the FT] 30-share index ended a [net 8.2] up at 331.1. The recent depreciation in the pound [—yest]erday's worst-ever 23.8 per [cent d]evaluation on Smithsonian [rates—] prompted further buying [of ov]erseas-orientated stocks [which w]ere again well to the fore. [Second-]line equities were not left [out of t]he picture, a more broadly [based r]ise being illustrated by the [improv]ement of 3.2 per cent. in [the FT]-Actuaries All-Share index [and] rises outnumbering falls [by ab]out 7-2 in F.T.-quoted [Industr]ials.

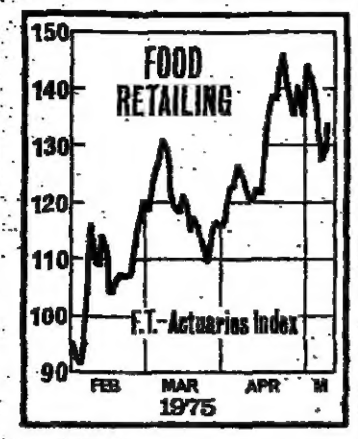
Gilts good

[Long-]dated Gilt-edged signifi[cantly] extended the recovery movement of the past two days. A continuation of Wednesday's late demand encouraged early firmness, but the real impetus for the movement came later from suspected buying on behalf of the insurance institutions. This was directed at the longest maturities where the yields were between 14½-15 per cent. The close was the day's best with gains ranging to ⅞ point. Medium and short-dated issues went with the upturn, finally establishing rises to ⅜. A neutral view was taken about to-day's Minimum Lending Rate.

Sensitive conditions were apparent in the investment currency market, the premium falling to 99¼ per cent. in a small business prior to closing a net 1½ points down at 102 per cent. Yesterday's SE conversion factor at 1.30 p.m. was 0.5511 (0.5497).

Barclays nervous

Rumours in the market that a large "rights" issue to raise some £120m. or more was in the pipeline for the company depressed Barclays which slipped to 272p before a reported denial from the company prompted a rally which left the shares only 2 down on balance at 275p. Other major clearers moved nervously and closed mixed. Midland also shed 2 to 255p, after 252p, but Lloyds and National Westminster both finished 3 harder at the common level of 223p. Higher profits and an increased dividend together with a proposed 50 per cent. scrip issue helped Bank of Ireland rise 20 to 465p, after 470p. Allied Irish, preliminary figures next Wednesday, added 7 to 107p. Discounts continued Wednesday's firmer tendency. Allen Harvey and Ross, 280p, Gerrard and National, 255p, and Cater Ryder, 210p, all picked up 10; the latter's results are due next Thursday. Merchant Banks were featured by fresh weakness in Hambros which lost 17 to 133p on continuing concern about the group's shipping loans. Confirmation of an earlier F.T. Press report of major management and Board changes left First National Finance ¼ harder at 7, after 7½p, in Hire Purchases where Mercantile Credit cheapened 1 to



30p following comment on the interim figures.

C. E. Heath became a late dull feature in otherwise firm Insurances, falling 10 to 220p on news that Fraser Ansbacher (¼ harder at 14½p) had disposed of its near 20 per cent. stake in the company. Elsewhere, further consideration of the proposed £46m. "rights" issue helped Prudential rally 5 to 125p.

In quietly firm Breweries, Arthur Guinness put on 5 to 105p and Bass Charington 3 to 95p, while Allied ended a penny dearer at 63p, after 64p. Davenports closed 1p up at 34½p following the interim results. Distillers edged 2½ higher to 127½p, after 129p. Against the trend, however, George Sandeman ran back 10 to 45p following the chairman's bearish remarks about the outlook for the group's current year profitability.

Buildings made headway throughout the list, sentiment being helped by the continuing rush of money into Building Societies. Geo. Wimpey responded to the chairman's remarks at the annual meeting with a rise of 8 to 132p, while similar gains occurred in Redland, 84p, Taylor Woodrow, 285p, Marley, 81p, and Tunnel "B," 127p. Magnet Joinery finished 10 to the good at 137p. RMC hardened 3 to 61p in response to the chairman's statement, while a Press mention lifted J. B. Holdings ¼ to 19p and Tarmac continued firmly, rising another 6 to 166p.

After touching 249p, ICI closed 7 better on the day at 248p. Elsewhere in Chemicals, Laporte rallied 4 to 83p following Press comment on the preliminary results. Midland-Yorkshire advanced 15 to 395p on hopes of a higher bid.

Stores active

Stores enjoyed a good turnover and closed on a firm note, although slightly below the day's best in places. Marks and Spencer, 235p, and British Home Stores, 380p, put on 10 apiece, while Burton Group "A" finished 5 to the good at 65p. Audiotronic picked up 3 to 32p following the chairman's encouraging annual report. Newsagencies had J. Menzies 3 better at 108p and W. H. Smith "A" 11 up at 393p.

EMI were again the centre of attraction in otherwise quiet leading Electricals; the shares met further good U.S. and local demand and, helped by better-than-expected "after-hours" third-quarter figures from the Capitol Industries subsidiary, closed 7 higher at 170p, after 174p. Elsewhere, Brocks Group, after hardening further to 60p, came back late to 56p for a net loss of 2 on news of the postponement of the bid talks for about a month.

Engineerings fared indifferently, particularly the leaders as Metal Box rose 9 more to 263p but GKN lost 2 to 232p and Hawker shed 4 to 278p; the selling of the two last-named also contrasted with renewed demand for Vickers which jumped 7 to 146p, after 147p. Elsewhere, Glynwed found support and gained 6 to 81p, while Babcock and Wilcox were the section's most active stock and rose to 102p before closing a net 4 higher at 99p. Press comment took RHP up 3 to 57p and RCF were 2 harder at 25p after the interim figures. Sharply lower profits, however, brought E. Chalmers down 3 to 23p. Useful gains of about 5 were seen in Howden, 83p, and Acrow "A," 57p.

Foods made another cheerful showing, Tate and Lyle improving 9 to 265p, after 267p, while Cavenham, 118p, and S. and W. Berisford, 139p, put on 7 apiece. RHM (interim figures next Tuesday) moved up 3 to 40½p. Kwik Save Discount stood out in Supermarkets at 185p, up 7.

J. Lyons "A" ended 10 higher at 152p, after 154p, while gains of Trust Houses Forte put on 3 to 115p and Savoy "A," at 20p, recovered 4 after the recent weakness on the chairman's statement.

Miscellaneous Industrial leaders extended Monday's advance during another reasonable business. Beecham, 278p, and Pilkington, 192p, both ended 9 higher, while Reed International moved ahead 11 to 278p and Boots 7 to 250p. Bowater put on 4 to 152p, while Unilever, in front of to-day's first-quarter report, finished just 2 better at 360p, after 363p. Lonrho, stimulated by a broker's favourable circular, made fresh headway to a 1975 peak of 149p before closing a net 6 higher at 145p. "After-hours" news of Monopolies Commission clearance for the indicated Dentsply International bid left AD International 11 to the good at 82p. Robert Stigwood ended 3 up at 35p, after 38p, on the bid approach, while hopes of an increased offer from Paterson Zochonis left Cussons, 60p, and the "A," 50p, up 8 and 6 respectively. Bensons International Systems improved 5 to 120p in response to the profits advance. Elbar Industrial moved ahead 13 to 118p, Bestobell 11 to 133p, and Wedgwood 10 to 159p, while Martin-Black added 8 at 95p and Wm. Press 5 at 33½p. However, Rosedale shed 2 to 7p on the heavy first-half loss, while also on poor interim results, Heenan Spark eased similarly to 9p.

A more widespread business in Motors and Distributors left prices better where changed. Lucas Industries continued firmly, improving 7 further to 125p. Rolls-Royce hardened 3 to 54p while Dunlop put on 2 to 51p. York Trailer were 2 better at 24p following trading news, but Automotive Products closed a penny easier at 24p on the profits setback, while Dutton-Forshaw came back 1½ to 19p on the reduced dividend and earnings.

Associated Newspapers recovered sharply after the recent lean spell, gaining 8 to 104p, while Daily Mail "A" moved up in sympathy to 185p for a rise of 10. Thomson were another in demand and closed 5 dearer at 181p, while News International improved 4 to 104p. Morgan Grampian, in Publishers, were similarly higher at 38p. Paper/Printing features included DRG, 5 better at 120p, and British Printing, which rose 3 to 44p.

Leading Properties encountered a highly speculative business and, following an initial fresh improvement, reacted to close little changed on the day. Among quietly firm secondary issues, Haslemere Estates improved 7 to 217p, while improvements of 5 occurred in Warnford Investments, 190p, and Law Land, 100p. The encouraging half-year report left London and Provincial Shop Centres 4 firmer at 76p. Countryside Properties put on 3 to 19p.

Oils up sharply

Fresh moderate demand in a market short of stock made for disproportionate gains in Oils. British Petroleum jumped 18 to 428p in the absence of further U.S. selling, while Shell climbed 12 more to 298p, both levels being the day's highest. Ultramar, as usual, went with the movement and gained 7 to 172p, but Burmah lagged behind at 33p, down 1. Revived speculative interest lifted Tricentrol 4 to 88p, but the lack of expected events at yesterday's annual meeting brought Anglo-Ecuadorian back 3 to 40p, after 37p.

Trusts and Financials generally gave a firm performance. Selected trusts involved in the reorganisa[tion of the Sir Denys Lowson] investment empire returned to favour, First Re-Investment putting on 10 to 225p, while gains of 5 were seen in others. Thomas Jourdan dipped 2 to 16p following the poor results.

As on Wednesday, Shippings managed to improve in places on little business. Awaiting preliminary results on Monday, Furness Withy improved 6 to 186p.

Following the previous day's gain of 6, Courtaulds improved 2 more to 111p, after 113p, in quietly firm Textiles. Coats Patons (results due May 29) hardened a similar amount to 60p and Slimma added 3 to 34p. A dull market of late on the poor half-year results, S. Lyles regained a penny at 32p.

Tobacco majors closed mixed with Bats 4 better at 311p but Imps friendless at 56p, down 1.

In line with the firmer trend of Industrial leaders, Guthrie rose 15 to a 1975 "high" of 270p.

Investment interest from the buoyant Industrial market spilled over into shares of the U.K.-based mining finance issues. Selection Trust, which also reportedly attracted some buying from Canada, advanced 25 to 635p while Charter touched a year's high of 188p before closing 11 up at 186p and RTZ gained 7 to 197p.

The overseas-registered issues were checked by the easier investment dollar premium and Anglo American eased 5 to 450p. General Mining were unchanged at £30 in front of the annual report.

Despite the easier investment premium and the closure of the Cape and Continental markets for Ascension Day, Gold shares closed with gains sufficient to raise the Gold Mines index by 11.1 to 375.1. The bullion price was finally 75c up on the day at $166¾ per ounce. Among the rises, Kinross put on 60 to 680p and President Steyn were ¼ up at £18¼.

Australians were generally a few pence easier in quiet trading. Tins were steady with Geevor unchanged at 238p; the mention here on Wednesday of proposed Board changes at Geevor was incorrect, the company in question being Gopeng.

Elsewhere, "Tanks" jumped ahead to a year's high of 190p before closing 30 up at 188p on further consideration of the company's 17.6 per cent. stake in Union Miniere. Silvermines fell 6 to 44p on the lower profit and dividend. A rise of 9 to 118p in Sabina followed the Canadian gold drilling results.

FINANCIAL TIMES STOCK INDICES

—	May 8	May 7	May 6	May 5	May 2	May 1	A year ago
Government Secs.	57.73	57.15	56.77	56.55	57.49	57.56	57.72
Fixed Interest	57.24	56.92	56.68	56.97	57.62	57.53	57.12
Industrial Ordinary	331.1	322.9	311.1	315.0	330.7	334.7	302.5
Gold Mines	375.1	364.0	363.3	362.2	375.5	373.3	319.3
Ord. Div. Yld. %	6.24	6.39	6.62	6.57	6.27	6.22	6.55
Earnings Yld.%(full)	18.23	18.67	19.28	19.12	18.28	18.11	16.87
P/E Ratio (net) (a) (b)	7.69	7.51	7.24	7.30	7.64	7.71	8.45
Dealings marked	7,500	8,490	6,254	4,582	7,760	6,717	15,850
Equity turnover £m.	—	66.50	65.04	66.33	100.47	68.14	53.50
Equity bargains total	—	18,119	19,016	19,442	24,866	19,901	13,051

10 a.m. 325.3. 11 a.m. 326.7. Noon 332.8. 1 p.m. 331.3. 2 p.m. 331.3. 3 p.m. 332.8.

Latest Index 01-246 8026. Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.66.

Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	355.5 (22/4)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	425.5 (25/2)	280.2 (30/1)	426.4 (13/11/74)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 8	May 7
Daily—		
Gilt-Edged	147.1	157.8
Industrials	257.3	312.8
Speculative	78.9	78.4
Totals	170.7	195.2
5-day Av'r'ge		
Gilt-Edged	130.8	130.5
Industrials	250.2	247.4
Speculative	69.7	70.4
Totals	156.6	153.1

FT—ACTUARIES INDICES

—	May 8	May 7	May 6	May 5	May 2	May 1	A year ago
Industrial Group	129.72	126.36	123.06	125.57	130.51	131.20	121.67
500 Shares	104.05	135.29	132.61	135.26	140.29	141.11	132.28
Div. Yield pc	6.28	6.49	6.62	6.49	6.26	6.21	6.16
P/E Ratio (net)	6.85	6.60	6.47	6.60	6.84	6.87	8.16
All Share	139.98	135.59	133.14	135.82	140.87	141.74	130.15
Consols yield pc	15.15	15.36	15.47	15.58	15.32	15.32	14.27

[AU]THORISED UNIT TRUSTS

[illegible]

[INSURANCE, PROPERTY, BONDS PRICES PAGE 31]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
98¾	90¼	Savings 3pc '65-75‡‡	98	–1/32	3.05	10.28
95⅛	94	Exch. 6½pc 1976‡‡	97¼	......	6.65	10.02
97¼	92¼	Treasury 6½pc 1976‡‡	95⅝	......	6.80	10.24
98½	97	Victory 4pc 1976‡‡	98	......	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	99xd	+1/16	10.52	10.66
95	88½	Treasury 6¼pc 1977‡‡	92⅞	......	6.73	10.58
91¼	86¼	Electric 3pc '74-77	90	+¼	3.33	8.96
103	96⅞	Treasury 11½pc '77‡‡	101½	+¼	11.33	10.72
88	84	Treasury 3pc '77	85xd	+1/16	3.50	9.45
88⅝	84⅛	Transport 4pc '72-77	86½xd	+¼	4.62	9.58
96	90½	Treasury 9pc 1978‡‡	94⅜	+¼	9.54	11.33
96	94	Treasury 9pc '78 'A'‡‡	94⅜	+¼	9.54	11.34
100	97	Treasury 10½pc '78‡‡	97½	+3/16	10.77	11.44
87½	79	Exchequer 5pc '76-78‡‡	84⅞	+⅛	5.89	10.40
103	94	Treasury 11½pc '79‡‡	99	+3/16	11.52	11.53
79⅜	71½	Treasury 3pc '79‡‡	76¾	+¼	3.91	9.64
81	73⅞	Electric 4¼pc '74-79	78	+⅛	5.44	10.58
100	96	Treasury 10½% '79‡‡	97xd	+⅛	10.82	11.34
79½	71	Electric 3½pc '76-79	77xd	+⅛	4.54	9.94
95	84	Treasury 9pc 1980‡‡	91½	+½	9.84	11.31
Five to Fifteen Years						
79	68¼	Treasury 3½pc '77-80	76¼	+¼	4.67	9.89
84½	71	Funding 5½pc '78-80‡‡	81¾	+¼	6.59	10.49
75½	66½	Treasury 3½pc '79-81	73	+¼	4.65	9.93
91½	72⅝	Do 8½pc '80-82‡‡	88	+¼	9.96	11.71
104½	86⅝	Treasury 12pc 1983‡‡	99⅞	+¼	12.22	12.36
78	58	Funding 5½pc '82-84‡‡	73¼	+½	7.69	10.59
85¼	61⅜	Treasury 8½pc '84-86‡‡	81½	+⅜	10.80	12.00
73¼	51⅝	Funding 6½pc '85-87‡‡	66xd	+⅜	9.74	11.74
76¼	53	Treasury 7¾pc '85-88‡‡	71½	+⅜	11.15	12.69
46⅛	32⅞	Transport 3pc '78-88	41⅞	+½	7.35	12.10
55¼	39¾	Treasury 5pc '86-89	50⅛	+½	10.04	12.65
Over Fifteen Years						
75½	53¼	Treasury 8¼pc '87-90‡‡	70	+½	12.29	13.37
55¾	41½	Funding 5¾pc '87-91‡‡	50⅞	+½	11.42	13.34
97½	89½	Treasury 12¾pc '92‡‡	90⅝	+⅜	14.10	14.25
54½	40½	Funding 6pc 1993‡‡	48⅝	+⅝	12.57	13.95
75¼	54½	Treasury 9pc '94‡‡	64½xd	+½	13.86	14.41
34⅞	24¼	Gas 3pc '90-95	30¼	+½	9.94	12.68
102	75	Treasury 12¾pc '95‡‡	88¼xd	+¾	14.41	14.52
71½	54½	Treasury 9pc '92-96‡‡	65½	+¼	14.11	14.55
32¼	26½	Redp. 3pc '86-96	29½	+½	10.28	12.65
69½	53¼	Treasury 8¾pc 1997‡‡	62⅞	+⅞	14.29	14.67
59⅞	40¼	Treasury 6¾pc '95-98‡‡	48¾	+¾	13.89	14.51
75½	54¼	Treasury 9½pc 1999‡‡	68¾	+1	14.44	14.69
31½	22	Funding 3½pc '99-04	28	+½	13.01	13.78
61½	47	Treasury 8pc '02-06‡‡	55¼	+⅞	14.54	14.67
42⅞	33	Treasury 5½pc '08-12‡‡	39⅛	+¼	14.39	14.48
59⅝	43⅛	Treasury 7¾pc '12-15‡‡	54¾	+⅞	14.74	15.77
Undated						
29¾	22½	Consols 4pc	27¼	+⅛	15.27	—
27¼	20½	War Loan 3½pc‡‡	23½xd	+½	14.75	—
27½	22⅝	Conv. 3½pc '61 Aft.	24¾	+⅜	14.35	—
22	17½	Treasury 3pc '66 Aft.	20	+¼	15.21	—
18¼	14¼	Consols 2½pc	16½	+¼	15.14	—
18⅛	14½	Treasury 2½pc	16⅝	+¼	15.28	—

**INTERNATIONAL BANK

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
64¼	58	5pc Stock '77-82	64¾	......	7.86	12.83
95¼	91½	8pc Stock 1976	95½	......	8.38	12.06

**CORPORATION LOANS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
74½	57¼	Belfast 6½pc '77-80	70½	......	9.26	14.47
91½	87	Bristol 6½pc '75-77	89½	......	7.26	13.42
87½	82¼	Essex 5½pc '75-77	86	+⅛	6.40	13.18
94½	90	G.L.C. 6¾pc 1976	93¼	+¼	7.22	12.43
90½	85	Do 7¼pc 1977	88½	+¼	8.25	13.25
75¼	63	Herts. 5½pc '78-80	69½xd	+½	7.53	13.73
89½	23½	Liverpool 7pc '75-77	87½	+¼	7.84	13.19
87½	71	Do. 9¾pc '80-84	83xd	......	11.84	13.17
23¼	18	Do. 3½pc Irred.	22	+½	15.56	—
84½	77¼	Lon. Corp. 6½pc '75-78	82	+¼	7.93	13.49
78½	66½	Do. 9¼pc '84-85	75½	......	12.40	13.94
85½	78¾	L.C.C. 6pc '75-78	82½	+¼	7.27	13.81
72½	59½	Do 5½pc '77-81	65	+½	8.45	13.40
64	58	Do 5½pc '82-84	59½	+½	9.71	13.99
58½	40¼	Do 5½pc '85-87	51½	+½	11.21	14.51
60½	42	Do 6¾pc '88-90	53	+½	13.34	15.07
21½	15½	Do. 3pc '20 Aft.	18	+½	11.47	—
85½	62¾	Midds. 6½pc '75-77	85¼	......	7.33	13.22

COMMONWEALTH & AFRICAN LOANS

LOANS (MISCEL.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 81¼% (based on $2.3410 per £)

CANADIANS

S.E. List Premium 81¼% (based on $2.3080 per £)

Conversion factor 0.5511 (0.5497)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£14¼	780	Durban Deep R1	960	+20	Q110c	ϕ	7.8
£14	860	E. Rand Prp. R1	£11⅞	+⅛	Q115c	ϕ	6.5
105	55	Rand Leases 2½c	63	+1	—	—	—
£53½	£22	Randf'tn Est. R2	£29½	+¼	—	—	—
500	260	West Rand R1	320	−10	Q40c	1.3	8.3

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
370	235	Bracken R1	310	+10	†Q51c	1.1	10.6
23	13	Daggafontein 30c	15	+1	—	—	—
105	68	East Dag R1	83	+1	Q25c	ϕ	19.4
140	140	Grvnt. Areas 5c	140#	......	—	—	—
380	210	Grootvlei 30c	295	+15	Q32c	1.1	7.0
695	410	Kinross R1	680	+60	†Q50c	1.5	4.7
198	107	Leslie 80c	140	+8	†Q22c	1.6	10.1
550	325	Marievale 70c	400	......	Q84c	1.1	13.5
725	380	S. African Ld. 35c	570	+20	Q85c	1.2	9.6
265	175	Vlakfontein R1	205	......	Q35c	1.3	11.0
£12½	840	Winkelhaak R1	£12½	+¾	†Q94c	1.2	2.7
120	65	Wit. Nigel 25c	73	+3	Q1c	10.9	0.9

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£11	680	Blyvoor 25	900	+20	Q90c	1.3	6.4
£21½	£17	Buffels R1	£19¾	+¼	†Q160c	1.4	5.2
£14¼	920	Doornfontein R1	£11½	......	†Q100c	1.4	5.6
£11¼	725	East Drie R1	960	+30	Q55c	1.8	3.7
£11	725	Do. Comb. Units	930	+30	—	—	—
450	295	Elsburg R1	375	+15	Q45½c	1.2	7.8
£27	£16	Hartebeest R1	£24	+½	†Q160c	1.7	4.3
£13¼	815	Kloof Gold R1	£11	+¼	‡Q79c	2.2	‡
£15⅞	875	Libanon R1	£14½	+⅜	†Q100c	2.0	4.4
£12¼	960	Southvaal 50c	£10⅝	+¼	Q9c	ϕ	0.6
475	340	Stilfontein 50c	415	+10	Q65c	1.3	10.1
£33¼	£21	Vaal Reefs 50c	£29½	+¾	Q220c	1.7	4.8
£11½	650	Venterspost R1	820	+20	†Q75c	1.7	5.9
£50	£34	W. Drie R1	£48¼	+¼	†Q400c	1.2	5.3
745	450	W'st'rn Areas R1	610	+30	Q70c	1.4	7.4
£22½	£15	Western Deep R2	£20¼	+¾	Q160c	ϕ	5.1
450	295	Zandpan R1	410	+5	†Q27c	1.0	4.2

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
370	290	Fr. State Dev. 50c	360	......	†Q12c	1.8	2.1
£30½	£21	F.S. Geduld 50c	£28¼	+¼	†Q310c	1.1	7.2
870	550	Harmony 50c	785	+15	Q77c	ϕ	6.3
575	320	Loraine R1	375	+30	Q12c	6.7	2.1
£27	£19½	Pres. Brand 50c	£23	+¾	†Q245c	1.5	6.8
£25⅛	£14½	Pres. Steyn 50c	£18¼	+¾	†Q135c	1.8	4.7
£35½	£21½	St. Helena R1	£33¾	+¼	†Q230c	1.2	4.4
340	210	Unisel	248	+4	—	—	—
525	370	Welkom 50c	460	+10	†Q55c	1.6	7.7
£39¾	£27¼	W. Holdings 50c	£37	+¾	†Q445c	1.1	7.7

FINANCE

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
480	313	Ang. Amer. 10c	450	−5	Q29c	2.0	4.2
£42½	£27½	Ang. Am. Gold R1	£40½	+½	Q250c	1.4	4.0
£13	850	Ang-Vaal 50c	£13	......	†Q75c	1.7	2.1
168	87	Charter Con.	186	+11	†22.8	2.2	4.7
266	188	Cons. Gold Field	256	+5	t26.8	4.4	4.0
32	17	E. Rand Con. 10p	25	+1	9¼	ϕ	5.7
365	230	Geduld Inv. R1	350	......	Q34c	0.4	6.3
*£31½	27½	Gen. Mining R2	£30½	......	Qh187½c	ϕ	4.0
*£39	£24½	G. Fields S.A. 25c	£35	+¼	bQ190c	1.5	3.5
£23½	£11¼	Joburg Cons. R2	£22½	......	†Q135c	2.3	3.8
425	260	Middle Wit 25c	420	......	Q22c	ϕ	3.4
248	184	Minorco $BDL40	235	......	±Q30.2	1.1	‡
260	160	New Wit 50c	215	......	†Q14c	1.8	4.2
£18¼	760	Patino NV Fls.5	£11⅛	......	Z¢C40c	—	1.5
£10¾	730	Rand Selection 50c	960	......	Q70c	1.6	4.7
635	322	Selection Trust	635	+25	ϕ†56	1.4	3.4
435	255	Sentrust 10c	370	......	†Q23c	1.8	4.0
51	27	Silvermines 2½p	44	−6	a160	1.5	9.4
170	130	SW Africa 20p	160	......	†83⅛	2.5	16.1
£13	10	T'vaal Cons. Ld. R1	£13	......	†Q55c	2.5	2.8
445	250	U.C. Invest R1	445	+10	Q36c	1.2	5.2
495	390	Union Crp. 6.25c	490	+2	Q42c	1.6	5.5
£18½	13½	Vereeniging R2	£18½	......	QR1.15	ϕ	4.0
78	30	Vogels 2½c	77	−1	Q6c	1.0	5.2

DIAMOND AND PLATINUM

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£29¾	£15¼	Anglo-Am. Inv. 50c	£29	......	Q290c	1.0	6.5
82	48	Bishopsgate Plt. 10c	82	+1	‡Q8c	0.9	‡
289	161	De Beers Df. 5c	285	−3	Q25c	2.2	5.6
£17	£11½	Do. 40pc Pf. R5	£17	......	128.9p	125.5	7.6
118	80	Lydenburg 12½c	117	......	Q13.9c	1.0	8.2
230	100	Pot. Plat. 2½c	215	−3	‡Q21c	1.0	‡
164	94	Union Plat. 10c	164	......	‡Q20.4c	1.0	‡
162	95	Waterval 5c	162	......	‡Q21.4c	1.0	‡

CENTRAL AFRICAN

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
345	198	Coronation 25c	285xd	......	‡Q92c	1.4	‡
250	175	Falcon Rh. 50c	220	......	†Q55c	1.5	—
52	42	Globe Phnix 12½p	48	......	10	—	4.1
24	15	Rho.-Corp. 16⅔p	22	......	Q5	8.0	3.8
440	315	Roan Cons. K4	350	......	‡Q95	1.8	‡
190	92	Tanganyika 50p	128	+30	Q26.4	2.5	7.0
70	60	Do. Pref. 80p	70	......	Q9	35.4	10.7
66	53	Wankie Col. Rh. 1	64	......	±Q12c	1.3	—
70	56	Zam. Cpr. SBD0.24	67	−1	Q17.3p	1.1	25.8

AUSTRALIAN

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
16	10	Acmex 25c	1c	......	—	—	—
137	96	A. M. and S. 50c	132	−4	Q14c	1.5	6.2
115	76	Bougainville 50c	108	−1	Q27½c	ϕ	14.4
242	152	BH South 50c	205	+5	‡Q13c	2.5	‡
215	155	Gold M. Kalg. $1	155	......	—	—	—
50	36	Gt. Boulder 10c	45	−2	Q2c	‡2.8	2.5
128	76	Hampton Areas 5p	100	......	22.2	1.5	1.7
67	40	Metals Ex. 50c	40	−2	—	—	—
43	21	Metramar 20c	21	......	—	—	—
210	117	M.I.M. Hlds. 50c	206	−4	sQ14c	2.1	3.8
116	88	M. Lyell 25c	114	−2	sQ7.5c	4.5	3.8
2¼	2	Newmetal 10c	2¼	......	—	—	—
132	102	North B. Hill $1	128xd	......	Q9c	1.5	4.0
16½	8	North Kalg. 30c	10½	......	—	—	—
75	47	Oakbridge $A1	68	......	Q7	2.6	5.8
450	220	Pancont'l 25c	300	−5	—	—	—
25	9	Paringa M&Ex. 5p	19	+1	—	—	—
360	235	Peko-Walls'd 50c	295	−5	Q15c	ϕ	2.9
540	395	Poseidon 50c	450	......	—	—	—
3	2	Scamander 25c	2	......	—	—	—
14	8	Vulcan Min. 50c	12	......	—	—	—
6	4¼	Westmex 10c	5¼	......	—	—	—
185	137	W. Mining 50c	176	−2	Q8c	1.0	2.6
50	31	Whim Creek 20c	40	−2	—	—	—

TINS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
50	32	Amal. Nigeria	49	+2	†20.8	1.6	16.3
143	77	Ayer Hitam	143	+1	39.2	1.2	10.5
36	20	Beralt Tin	25	......	—	—	—
423	268	Berjuntai SM2.5	420	......	†QSM1.8	ϕ	7.7
17	13	Ex Lands 10p	16½	......	13.7	0.9	13.2
246	216	Geevor	238	......	†74	2.3	12.0
18	11	Gold & Base 12½p	15½	......	6.7	1.6	8.9
245	157	Gopeng Cons.	233	......	57	ϕ	9.4
73	55	Hongkong	73	......	—	—	—
58	40	Idris 10p	55	......	67	ϕ	18.7
11	7	Jantar 12½p	11	......	—	—	—
60	43	Kamunting 15p	58	......	†40	0.8	25.9
150	140	Killinghall	150	......	48	—	12.3
180	106	London Tin 20p	173	+1	35	ϕ	6.2
180	93	Malay Dredging	175xd	......	g43.9	1.6	9.6
*59	29	▲Pahang	52	......	†Qh12½	1.5	6.2
65	44	Pengkalen 10p	65	......	70	1.0	16.6
92	75	Petaling SM1	92	......	—	—	—
23	8	Saint Piran	16	......	‡5.3	1.3	‡
125	68	South Kinta (10p)	105	......	†82.5	0.9	12.1
150	73	Sthn. Malayan	138xd	......	g43.9	1.4	12.2
75	47	Sungei Besi 20p	73	+1	†27½	3.2	11.6
43	33	Sunger Way SM1	42	......	ZQ10	—	4.2
84	48	Tanjong 15p	70	......	29	ϕ	9.6
75	62	Tongkah Hb SM1	64	......	Q30	1.3	12.9
77	42	Tronoh	76	......	16.1	ϕ	8.1

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
86	56	Botswana RST P2	82	−1	—	—	—
390	196	Messina R0.50	385	......	Q60c	2.9	10.0

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
6½	3	Burma Mine 17½p	6½	......	—	—	—
40	17	Charterhall 5p	39½	+1	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
730	360	Cons. Murch. 10c	680	......	Q130c	2.2	12.3
53½	29½	Lauracia	37	−3½	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	325	−5	Q65c	2.0	8.6
199	80	R.T.Z.	197	+7	19.9	4.4	3.9
135	47½	Sabina Inds. C$1	118	+9	—	—	—
70	51	Stanford Mines $	65	......	—	—	—
£12½	875	Tara Exprn. $1	£11⅝	−⅛	—	—	—
75	38	Yukon Cons C$1	69	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers adjusted to corporation tax of 52 per cent. on imputation system and 35 per cent. ACT. P/Es calculated on "net" distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on increased ACT, are based on middle prices, are gross and allow for value of declared distributions and rights.

Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- § Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ♦ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xcd ex capital distribution.

"Recent Issues" and "Rights" Page 23

FINANCIAL TIMES

Friday May 9 1975

Big Saudi bank to be based in London

BY MICHAEL BLANDEN

A LARGE London-based bank is being set up by Saudi Arabia together with a group of leading international banks.

The new bank will be 50 per cent. owned by the Saudi Arabian Monetary Agency (SAMA), which handles Saudi funds. The bank, it was stated yesterday, will not, however, act as a channel for the oil surplus funds of the country, nor as an arm of official Saudi policy. It will function as a normal international merchant bank, competing for funds and for business in the open market.

The move is described as part of a long-range programme to develop broader economic and financial interchange with other countries and gain for Saudi Arabia direct experience in international financial markets.

The new bank, to be called Al-Bank Al-Saudi Al-Alami Ltd (Saudi International Bank), will have an authorised capital of £25m. It is expected that initially half of this will be paid up by the shareholders, providing a substantial basis for building up the bank's business.

Morgan Guaranty

Besides SAMA two Saudi commercial banks, the National Commercial Bank and the Riyadh Bank, will each hold about 2½ per cent. of the capital. Subject to approval by the various regulatory bodies, the other shareholders will be Morgan Guaranty Trust Company, of New York, which will have a 20 per cent. stake. Bank of Tokyo, Banque Nationale de Paris, Deutsche Bank, National Westminster Bank and Union Bank of Switzerland, each with 5 per cent.

Mr. Abdul Aziz Al Quraishi, governor of SAMA, said it was expected that, subject to Bank of England approval, the new bank would be active in a broad range of banking activities carried on by merchant banks in the London market.

Training plan

Initially, he said, management and some of the personnel would be provided by the foreign banks involved. During the first five years of its operation the bank will have a technical assistance agreement with Morgan Guaranty, under which the U.S. bank will provide management services.

It is contemplated that Mr. Edgar C. Felton, at present a vice-president of Morgan Guaranty, will be appointed executive director.

A principal aim of the bank, however, "will be the training of a substantial number of Saudis in all aspects of international banking, so that they may move into positions of responsibility in the bank, including ultimately the top management." Steps have already been initiated to assign several young Saudi bankers for training.

Car import figures 38% of market

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE CAR import control lobby will receive a strong boost to-day when figures are published showing imports taking almost 40 per cent. of the U.K. new car market last month.

The record foreign penetration—the total is expected to be 38.4 per cent.—came in a month when sales as a whole showed a severe slump on last year. The British industry is now facing a situation where, despite availability of cars, a number of new models, and highly competitive incentives, importers are having greater success in picking up new customers.

The feeling is gathering force that domestic car prices will have to be held down during the next round of quarterly increases due in June. Over the past six months: British manufacturers have put up their prices much more rapidly than the importers to cope with the domestic rate of inflation.

Inflation, combined with rising wages, has now become a critical issue for the domestic manufacturers, and partly explains Chrysler's novel attempt, announced yesterday, to work towards better labour relations through a profit-sharing scheme.

Of the U.K. manufacturers, British Leyland increased its share last month by about 3 per cent. on the March figure, but still was down to a meagre 28.8 per cent. total. Mini sales remained depressed as a result of the Castle Bromwich strike, but there was a ray of hope in the 2.6 per cent. market share captured by the new 18-22 series.

Concerned

This compared with a 1.4 per cent. share for Ford's Consul-Granada range, a direct competitor. Overall Ford once again performed badly, achieving only an 18.3 per cent. share: but it also had some slight encouragement with the new Escort, which was the best selling model overall, gaining 8.4 per cent. in the month, and going up to 10.3 per cent. in the last 10 days.

Chrysler, despite its heavy incentive schemes, fell back a further point from the March level to 7.3 per cent.

Best selling of the imports was Renault (6.5 per cent.), followed by Datsun (5.9)—now showing a full 3 per cent. increase on its share a year ago—and VW (4.9). Volkswagen's share has gone up from 3.8 in March, chiefly as a result of the rapidly increasing sales of the Golf.

And East European imports, over which the British industry is becoming increasingly concerned, gained almost a 2 per cent. share.

At the same time separate figures from the Department of Industry yesterday showed falls in both car and commercial vehicle production compared to a year ago. Car production for April totalled 106,400 units, 8 per cent. lower than a year ago, and commercial vehicle output was 31,000 units, 2 per cent. below April 1974.

Building societies likely to heed Crosland call

BY JOE RENNISON

BUILDING SOCIETIES reacted sympathetically yesterday to the request by Mr. Anthony Crosland, Environment Secretary, to step up advances to make good the £100m. cuts in local authority home loan schemes announced by him last Monday.

No decision, however, was taken at a meeting attended by representatives of both sides because the building society leaders want to put the proposals to a meeting of the Building Societies Association council.

Record

The societies will give their answer at a later meeting. Although they are expected to approve the scheme, they emphasised last night that the Government had not been trying to put pressure on them.

They do not feel the Government is seeking a quid pro quo for the £500m. it advanced to them last summer.

Mr. Crosland's request was made at a regular monthly meeting of the DOE/BSA Joint Action Committee set up last year to monitor and stabilise building society inflow and spending.

Mr. Crosland's cuts in the local authority home loans were the consequence of his decision to restore some of the earlier cuts made in councils' municipalisation and improvement programmes.

A leading figure in the BSA yesterday said that the movement was "anxious to help" and said an extra £100m. in lending should be fairly easy for the societies to absorb.

Net inflow of funds to the societies is running at an all-time high with an estimated £350m. in April and no sign of investment interest falling off despite the planned cut in the rate paid to investors. Mortgage commitments are also running at a record level.

But if the societies do help out the town halls there could be difficulty in working out the technicalities. With some 400 local authorities now giving home loans and a possible total of some 40 of the largest societies able to help in a significant way, there could be some difficulty in matching up the two groups.

The societies will have to decide whether to set up a central pool of money or a sorting office for individual applicants or simply inform local authorities to send disappointed clients along to a building society office.

It was stressed, however, that the really high risk cases would have to remain with the local authorities.

Editorial Comment Page 18

Talks on fragile peace in Laos

By Our Asia Correspondent

DESPERATE attempts were being made last night to patch up the crumbling peace in Laos.

The Laotian coalition government sent a peace-making team 60 miles to the north of the capital, Vientiane, to try to dissuade Communist Pathet Lao forces from advancing. Four battalions of Communist troops, with tank and artillery support, are facing three Vientiane battalions in the area.

The situation in Laos, the poorest and smallest of the trio of Indo-China nations, with a population of 3m., has been deteriorating since the middle of last month, shortly before the fall of Phnom Penh to the Communist-led Khmer Rouge.

Then, Pathet Lao troops seized a key road junction on the main highway linking the Plain of Jars with Vientiane and the royal capital, Luang Prabang.

Yesterday, the Communists stepped up their propaganda war by alleging that the Right-wing partners in the coalition were planning a coup with some backing from Thailand.

The last of the foreign refugees in Cambodia yesterday crossed into Thailand, leaving the earlier arrivals free to tell the tale of the collapse of Phnom Penh.

Korea assured

The refugees said that shortly after the fall of the Cambodian capital, the city was evacuated. Up to 2m. people, including hospital patients and the bedridden, walked or were pushed out of Phnom Penh, in obediance to Khmer Rouge orders.

The massive evacuation of refugees from South Vietnam is nearing its end. The last of 20,000 evacuees who arrived on Wednesday at Subic Bay in the Philippines in South Vietnamese naval vessels were transferred to chartered ships heading for Guam and Wake Island.

Rear Admiral Doniphan Shelton, commander of the U.S. naval base at Subic Bay, said there might be small groups of up to 50 refugees who would still arrive, but he thought the major influx was over.

In Washington, President Ford has assured South Korea that U.S. troops would remain there "for the foreseeable future" and certainly for as long as he is in the White House, South Korean Ambassador Hahn Pyong-Choon said.

Other Indo-China reports, Page 7

THE LEX COLUMN

Vickers braced for nationalisation

Vickers is leaving itself plenty of room for argument, and hope, on nationalisation—saying blandly that it could receive anything between £40m. and £100m. from the takeover of its shipbuilding and aerospace interests. A more realistic figure is probably at the lower end of the range under the Bill in its present form, but the scope for manoeuvre is highlighted by the company's 1974 report. The basic problem is that the relevant figures for compensation are not the latest ones but those of a year ago. However, Vickers' shipbuilding profits increased from £2.3m. to £5.9m. in 1974 and its associate share of BAC profits nearly doubled to £12.1m.

On present proposals, this increase goes to the State rather than shareholders though the anomaly may be covered by the arbitration tribunal's duty to take account of all "relevant factors." Anyway, Vickers has been taking more out of BAC with an increase of £8.5m. in its dividend receipts from unquoted associates. This may be deducted from the eventual compensation payout, though with inflation running at its present rate there are obvious attractions in taking the cash now.

Of course, the two nationalisation candidates have a higher return on capital employed than

the group average, and it will be difficult to earn comparable profits with the proceeds. The message yesterday was that some money would be reinvested in existing divisions, while any new acquisitions are more likely to be in related engineering areas than completely new departures—remembering the group's unsuccessful diversification into chemical engineering a few years ago.

Meanwhile, the report is cryptic about 1975 prospects, with

Index rose 8.2 to 331.1

most divisions starting with strong order books, though with a tailing off in inquiries recently in certain areas. Both litho and office equipment should be ahead, but shipbuilding may be lucky to match last year's £5.9m., and interest charges are likely to be up. Full year profits this year could be between £1m./£1.5m. higher than the £25.9m. of 1974. The nationalisation uncertainties, however, leave the shares in limbo on a yield of 7.6 per cent. at 146p, where the capitalisation is £64m.

See also Page 21

Lubok

The transformation of Lubok Investments has been an exercise in sheer nostalgia—establishing goodwill, and turning it into assets through a string of takeover deals. The accounts bring the story up to date with a pro forma balance sheet showing April 28 market values, and they also throw some light on the way that the share price has shaken off its lethargy in recent weeks, with a bounce of nearly two-fifths since the Budget.

One clue is that since December, Lubok has been switching in a big way out of cash and gold shares and into Krugerrands, no less. These show a profit of nearly a tenth so far, and are seen as "an outstanding investment at the present time"—just as well since they make up over a quarter of the balance sheet total. In addition, the report confirms that Lubok's dealings in South African municipal stocks through the blocked rand discount will throw up ultimate capital profits of more than 4½p per share in five years' time.

For the moment though, fully diluted net worth is only just over 19½p per share so the share price is still way up in fairyland at 38p. The balance sheet is less flexible than it was, with over £2m. in Krugerrands and what must be a medium term investment in South African loan stocks. Doubtless there is a lot more action to come: meanwhile, the market value of the chairman's holding is still a little higher than that of his stake in Slater Walker Securities.

See also Page 23

Automotive Prods.

Automotive Products' 1974 profits are 22 per cent. lower at £4.7m. before tax. But the dividend has gone up and a yield of 10.3 per cent. is covered over three tim[es] ... there could be some ... in profits this year. Be[fore] the power cuts, last ye[ar's] quarter probably di[d] better than break even; then, exports have ... fairly buoyant and AP['s] sizeable, and expandin[g] in the replacement ma[rket] its dominant brake an[d] ... products.

AP reckons to have ... sharp declines in dema[nd] ... December but at the sa[me] ... it now sees an end to the ... phase of customer de[stocking]. Obviously there is go[ing to be] little joy in sales of ... equipment in the U.K. ... long while yet—yester[day's] production figures fo[r] ... showed a fall of 8 per ... a bad month in 1974. ... replacement turnover ... accounts for some ... of total sales. As for ... these jumped two-fifths ... per cent. of last year's ... turnover and the big ... contract for truck parts ... Continent will show th[rough in] profits for 1975. The ... working capital requ[irements] are rising fairly rapi[dly] ... five months of ... but 1974 started ... borrowings represent[ing] 43 per cent. of ... funds.

See also Page 2...

Ocean Transport

What the Ocean ... accounts have to say ... group's tanker charter ... summed up in one ... graph, and needless ... nothing is given away ... group confirms that ... yet received May's p... the Titan charter ... Reksten interests, and ... about to open ... talks. Ocean has not ... public sums on the ... is it saying whether ... profit forecast—which ... a drop from £28.9m ... pre-tax—has taken int[o] ... any contingencies in ... Titan. The group's tw[o] ... operated profitably ... one outside estimate s[ees] ... a reduction of just ... dwt/ton in the Titan ra[te] ... clip something like £ ... Ocean's gross receipts ... year. Still, the 1974 ... underline the ... strength of the group ... sheet.

See also Page 2...

Foot condemns Goodman plan to amend Trade Union Bill

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. MICHAEL FOOT, Secretary for Employment, makes it clear to-day that he has no intention of incorporating the Goodman amendments on Press freedom, passed by the House of Lords, into his controversial Trade Union Bill now before Parliament.

In a detailed condemnation of Lord Goodman's proposals for a legally-backed Press charter, Mr. Foot confirms he is determined to reject any proposal on Press freedom which involves legal sanctions.

His views, which has been eagerly awaited by MPs and journalists following active attempts to find a compromise formula during his recent absence in hospital, are contained in a letter to-day to the Times Literary Supplement.

In the letter, Mr. Foot is scathing about the views of 60 distinguished writers and academics who wrote to the Supplement two weeks ago, criticising the legislation and about the "various and often contradictory" representations made to him by Fleet Street editors and proprietors.

After outlining his reasons for supporting the closed-shop principle in the Bill and for rejecting Lord Goodman's amendments, Mr. Foot concludes: "An intelligent path must be found between intransigent editors and proprietors who first insisted they would discuss no Press charter with the NUJ, intransigent NUJ militants who now say they will discuss no Press charter with the proprietors and intransigent members of the House of Lords who apparently believe that a solution may be found by invoking the full weight of the penal law to back one set of intransigents against the others."

Unworkable

The more the conflicting perils were pondered, the more people in Parliament and in the newspapers may still be driven back to seek a solution along the lines which Lord Houghton and the Government were following, Mr. Foot added. "Possibly still, I believe, that may prove the wisest approach."

On the argument put forward by some editors for a "right not to belong" to a union in a closed shop situation, Mr. Foot said he was totally opposed to this since it could be interpreted in a manner which would invalidate trade union strength altogether.

In addition, he was opposed to the "right not to belong" principle since it was one of the central features of the Industrial Relations Act of 1971 which had proved so unworkable in practice.

Mr. Foot accepted that it was literally true that the absolute enforcement of the closed shop provision in newspapers would entail the confinement of employment to members of the NUJ alone.

"But let me hasten to add before this acknowledgment is misconstrued out of its context, that such a conclusion could only follow from a whole series of other developments, much more significant for the point at issue than the passage of our Bill."

He was strongly against the Goodman amendments because they would apply, in effect, a special Industrial Relations Act solution exclusively to one industry.

The Central London branch of the NUJ, which takes in all national morning newspapers, yesterday voted overwhelmingly in favour of holding a special delegate meeting with the intention of calling for a postal ballot on the issue of Press freedom.

Concorde landing rights—more pressure on U.S.

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, May 8.

THE BRITISH Government has stepped up its pressure on the U.S. Administration to help secure landing rights in New York for the Anglo-French Concorde supersonic airliners.

Yesterday, Mr. Harold Wilson told both President Ford and Dr. Kissinger that a discriminatory ban against Concorde landings in the U.S. would inevitably create political tensions between the two manufacturing countries and America.

The Prime Minister said the matter was touched on only briefly during his meeting with the President, but that it would be pursued more thoroughly at the working dinner he held later with Dr. Kissinger and other senior officials at the British embassy here.

Subsequently, British sources tried to play down Mr. Wilson's remarks on Concorde at his public Press conference, suggesting that he had put too much emphasis on the problem and evidently worried that any appearance of putting pressure on the U.S. Administration might have an adverse impact on public opinion here.

However, there is no doubting the seriousness with which the British Government now takes the landing-rights battle. It is convinced that Concorde can meet existing noise requirements at J. F. Kennedy airport in New York. However, it fears the airliner might still fall victim to discriminatory political measures.

These could take the form of one of the many bills introduced into Congress banning supersonic passenger transport aircraft from the U.S. Alternatively, the Governors of New York and New Jersey might be prevailed upon to veto a favourable ruling by the New York-New Jersey ports authority, which has jurisdiction over Kennedy Airport.

Were something like this to happen, not only would the British and French Governments be extremely irritated — but it is also admitted that public pressure for reprisals might develop in both countries.

Protest over BL 10p offer

By Terry Dodsworth

SMALL SHAREHOLDERS in British Leyland are expected to stage a strong protest against the Government's takeover offer of 10p a share at to-day's extraordinary general meeting.

The meeting has been called to deal with the specific issue of raising the company's borrowing limits so that it is in a position to take up further short-term loans from the Government pending the full-scale reconstruction of the company.

Young men at Leyland, Page 17

Weather

U.K. TO-DAY

SUNNY intervals and scattered showers.

London, S.E., S.W. and Cent. S. England, E. Anglia, E. Midlands, Channel Is.

Sunny intervals, scattered showers. Wind N., light. Max. 17C (63F).

E. and N.E. England

Cloudy, fog on coast, bright spells inland. Wind N.E., moderate. Max. 12C (54F) inland—cooler on coast.

W. Midlands, S. Wales, N.W. and Cent. N. England

Sunny intervals, scattered showers. Wind N., moderate. Max. 15C (59F).

N. Wales, Lakes, Borders

Bright periods, becoming cloudy with rain in places. Wind N., moderate. Max. 14C (57F).

I. of Man, Edinburgh, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, N. Ireland

Rather cloudy with some rain at times. Winds N., moderate. Max. 14C (57F).

Moray Firth, Caithness, Orkney, Shetland

Rather cloudy, some bright spells. Wind N.E., moderate. Max. 11C (52F).

Argyll, N.W. Scotland

Sunny spells. Wind N.E., moderate. Max. 12C (54F).

Outlook: Sunny intervals but also showers, mainly in N. and E. Temperatures near normal.

Lighting-up: London 21.04, Manchester 21.21, Glasgow 21.39, Belfast 21.41.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm	C	15	59	Madrid	S	18	64
Athens	S	21	70	Manchester	C	12	54
Bahrain	C	30	86	Melbourne	R	14	57
Barcelona	S	18	64	Milan	S	18	64
Beirut	C	21	70	Montreal	S	11	52
Belfast	C	14	57	Moscow	S	22	72
Belgrade	S	23	73	Munich	C	13	55
Berlin	S	26	79	Newcastle	R	8	46
Birmnham	C	12	54	New York	S	21	70
Bristol	C	14	57	Oslo	S	19	66
Brussels	S	17	63	Paris	R	13	55
Budapest	F	23	73	Perth	S	18	64
B. Aires	S	21	71	Prague	F	20	68
Cairo	S	22	72	Reykjavik	R	3	37
Cardiff	C	13	55	Rio de J'o	C	27	81
Cologne	C	15	59	Rome	S	18	64
Cophagn	S	18	64	Singapore	S	30	86
Dublin	R	10	50	Stockholm	S	17	63
Edinburgh	R	10	50	Strasbourg	F	18	64
Frankfurt	C	15	59	Sydney	C	22	72
Geneva	S	16	61	Tehran	C	20	68
Glasgow	C	12	54	Tel Aviv	F	21	70
Helsinki	S	20	68	Tokyo	S	21	70
H. Kong	C	25	77	Toronto	S	16	60
Jo'burg	C	20	68	Vienna	R	17	63
Lisbon	F	15	59	Warsaw	F	23	73
London	S	17	63	Zurich	S	15	59
Luxembg	S	16	61				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	17	63	Istanbul	C	16	61
Algiers	S	21	70	Jersey	R	9	48
Biarritz	C	12	54	Las Plmas	S	20	68
Blackpool	S	14	57	Locarno	R	13	55
Bordeaux	C	13	55	Majorca	S	19	66
Boulogne	C	15	59	Malaga	S	20	68
Casablnca	C	19	66	Malta	S	23	73
Cape Tn.	R	16	62	Nairobi	S	21	70
Corfu	F	24	75	Naples	S	19	66
Dubrovnik	R	16	61	Nice	F	15	59
Faro	F	19	66	Oporto	F	17	63
Florence	F	17	63	Rhodes	S	26	79
Funchal	C	16	61	Salzburg	C	11	52
Gibraltar	S	19	66	Tangier	F	18	64
Guernsey	C	9	48	Tenerife	C	13	55
Innsbruck	F	18	64	Tunis	F	21	70
Inverness	C	7	45	Valencia	S	21	70
I. of Man	C	9	48	Venice	S	18	64

S—Sunny. C—Cloudy. R—Rain. F—Fair.

Continued from Page 1

Wilson may see CBI

and "by its action the Government is inviting industrial disobedience at the highest level"—a reference to the CBI's threat of "rebellion."

As the Prime Minister flew into London from Washington last night he faced one of the sternest warnings yet from the Left-wing Tribune group of Labour MPs. Mr. Norman Atkinson (Tottenham) said in North London that it might be necessary for the Labour Party to "demand leadership changes" if the orthodox Treasury view of the present economic situation prevailed.

He added: "The Treasury, it seems—supported by leading Cabinet Ministers and the Tory front bench—are heading direct for further deflationary measures of the most severe kind," involving unprecedented unemployment, a statutory wage freeze, more taxes and further welfare cuts.

At Westminster yesterday many Conservatives speculated on the possibility of Britain's economic difficulties leading eventually to a coalition—perhaps with a deal with the Liberals to give them proportional representation. But this was dismissed by some of their more senior leaders as nonsense, so long as Mr. Wilson retained a Commons majority and was determined that Labour should remain in office.

Mr. Short brushed aside suggestions of a split over "coalition" between Mr. Wedgwood Benn and Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, at Wednesday's meeting of the National Economic Development Council. He indicated that in the end the two Ministers were "in complete agreement" that the worst possible solution to Britain's economic problems would be to have a coalition government.

Continued from Page 1

Chrysler peace bid

workers has been the apparently growing European influence of Chrysler's Simca subsidiary in France.

The European group's next new car, a medium size model code-named the C6, will be made at Simca, and although the U.K. company insists that there is nothing to prevent further developments in Britain, it is currently selling an ageing product line. This includes the 12-year-old Imp and the Hunter, which is almost as old.

One of the imponderables of the situation is the business with Iran, based on "knocked down" kits of the Hunter, but now including built-up Avengers.

Exporting to Iran, with its long shipping time, is costly to finance, but the totals sold are now impressive—Chrysler hopes to sell 160,000 KD Hunters there this year, and has already contracted for 30,000 Avengers.

The product programme was designed to help the company "grow and increase its employment in the future," said Mr. Lander who underlined both the company and its employees were going through "a crucial time."

The company had acknowledged that the world had changed and would continue to change, he said, urging shop stewards to accept the proposals and join them in negotiations, with a two-week deadline, to work out a "mutually agreeable plan."

But his plea for normal working was rejected by Mr. Wild, the AUEW convener at Stoke, who said: "The strike vote was unanimous and it was for a substantial offer to our £15-a-week claim.

"There has been no ffer of more money or any promise of an offer and therefore there is no reason to call a mass meeting. If there is no ffer of money tomorrow, the strike goes ahead."

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